



City of Weatherford, TX Municipal Utility Board  
FY13 Annual Program of Services





# Municipal Utility Board Members

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Mayor Dennis Hooks — Chair, Concurrent with City Council

Bob Glen — Vice Chair

Ken Davis

James Dickason

Heidi Wilder — Concurrent with City Council

Howard McClurkin

Craig Swancy — Concurrent with City Council

# City of Weatherford Facts & Figures

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## City Government

Year Founded	1855
Incorporated	1858
Charter Adopted	1918
Form of Government	Council-Manager

## Physiographic

Land Area (sq. mi.)	26.52
Long/Lat Range	32.759 ° N / 97.797° W
Public Parkland	

City Parks: *Cartwright, Cherry, Holland Lake, Marshal, McGratton, Miller, Love Street, Soldier Springs*

Trails: *Town Creek Hike & Bike Trail*

### Lake Weatherford

Pool Elevation (ft)	896
Surface Area (acres)	1,158
Maximum Depth (ft)	39

### Weather

Annual Rainfall (in)	34.7
Avg January Temperature	42° F
Avg July Temperature	84° F
Record High (Jun 1980)	119° F
Record Low (Dec 1989)	-10° F

## Demographic (2010 Census Bureau)

### Population Totals

2000	19,000
2005	23,050
2010	25,250
Change since 2000	32.9%

### By Sex

Male/Female	48.1%/51.9%
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### By Race/Ethnicity

White, non-Hispanic	81.2%
Hispanic or Latino	13.6%
Black	2.4%
Other	2.8%

### Age Distribution (years)

0-4	7.5%
5-17	17.5%
18-64	59.8%
65+	15.2%

### Income

Median Household	\$45,227
Below Poverty Level	15.1%

### Other

Households	9,572
Persons per Household	2.39



## Education

### Weatherford ISD Enrollment

K-6	3,461
7-8	1,160
9-12	2,207

### Weatherford College Enrollment

Total Enrollment	5,676
Male/Female	39%/61%

### Educational Attainment (25 years and older)

High School Graduates	81%
Bachelor's Degree or Higher	23%

## Employment

Civilian Labor Force	12,822
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### Unemployment Rate

Average Annual (10 year)	5.4%
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### Top Employers

Weatherford ISD	945
Weatherford Regional Medical Center	486
Parker County	485
Jerry's Transportation Center	420
City of Weatherford	356
Wal-Mart	350
Weatherford College	298

## Economic

### Business & Retail (2007)

Number of firms	3,829
Women-owned firms	25%
Manufacturer Shipments (\$1000)	\$211,430
Merchant wholesaler sales (\$1000)	\$317,299
Retail Sales (\$1000)	\$1,031,970
Retail sales per capita	\$40,362

### Housing

Median value, owner-occupied home	\$128,500
New Single-Family Building Permits (October 2011-September 2012)	109
Additions/Remodel Permits (October 2011-September 2012)	194

### Tourism

Hotels (#)	23
Meeting/Event Spaces (#)	8

Attractions and Theaters: *Chandor Gardens, Clark Gardens, Greenwood Farm, Sheriff's Posse Rodeo, Weatherford Farmer's Market, The Doss Heritage & Culture Center, Old Greenwood Cemetery, Museum of the Americas, City Lights Theater, Theater Off the Square, The Texas Opry*

2012 Events and Festivals: *Weatherford Blooms, Parker County Sheriff's Posse Rodeo, Parker County Peach Festival, Ranch Rodeo, Hometown Heritage Stampede, Christmas Parade, Christmas on the Square, Candelight Tour of Homes*

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# FY13 Budget City Manager's Message

October 1, 2012

To: Board of Trustees of the Weatherford Municipal Utility System

In accordance with Article X, Section 4 of the Weatherford City Charter, the FY13 proposed budget is hereby submitted for review and consideration. The budget that follows will provide for operations and maintenance of the Weatherford Municipal Utility System from October 1, 2012, through September 30, 2013. It has been developed under the principles and guidance of sound budgeting practices. Said practices assure that revenues are realistically estimated to cover the cost of essential utility services while leaving a prudent amount of working capital for emergency or unforeseen circumstances.

Estimated revenues from the operation of the City's electric, water, and wastewater utility systems for FY13 are \$31.2 million, \$9.9 million, and \$4.9 million, respectively. This total of \$45.9 million in operating revenues is a decrease of 17% from the FY12 adopted budget, and an increase of 8% from current end-of-year projections. This reflects an expected decrease in the purchase cost of power from the FY12 budget as well as the third and final year of rate adjustments recommended by R.W. Beck and the Municipal Utility Board. As you will see in the following pages, these rate adjustments have allowed the electric, water, and wastewater utilities to become self-sustaining entities.

Normal system working capital balances should be no less than 60 days of operating expenditures. Current projections place the ending working capital balance for September 30, 2013, at \$12,654,182, or 104 days of operations. This balance contains various reserves, including:

- Trinity Regional Water District reserve of \$399,760;
- Lake Lot License Reserve of \$200,000; and
- Sixty-day target reserve of \$7,276,963.

The fund is projected to have \$4,777,459 or 39 days, above these reserve amounts at the end of FY13.

The three-year phase-in of utility rate adjustments will be complete with this budget. All utilities are expected to be self-sustaining during FY13 as a result of these adjustments.

The total proposed budget for the Weatherford Municipal Utility is \$47.8 million, including \$3,549,906 in various one-time expenses. This document details the breakdown of the fund's operational departments, including organizational charts, mission statements, objectives, performance measures, and line-item budget detail. Among the major changes you will find in this budget are:

- The removal of operational costs for the Information Technology Department (these costs have been transitioned to the City's General Fund and are now reflected in the administrative services charges);
- The removal of operational costs for the Lake Maintenance Division of the Water Department (these costs were transferred to the Parks & Recreation Department, and are now reflected in the administrative services charge

**"All utilities are expected to be self-sustaining during FY13 as a result of these adjustments."**

# FY13 Budget City Manager's Message

for the Water Department); and

- Continued adjustments related to the use of lake lot license fees.

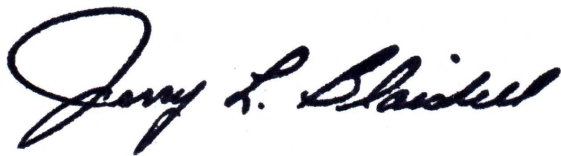
These adjustments were primarily made to create a cleaner budget document and place operational costs in more strategic locations. This budget also includes new and expanded programs which will provide better services, more efficient operations, and improved morale among staff members. Among those changes are:

- A compensation package for staff members who have struggled through several years of decreased purchasing power while their wages have been held flat and insurance benefits reduced;
- An automated meter pilot program which, if effective, would improve the efficiency of meter reading operations, mitigate issues with water loss and leakage, and reduce long-term operating costs;
- Reserve funding for large capital electric system projects and vehicle/equipment replacement;
- Software and technology upgrades to improve the efficiency of staff members; and
- Needed maintenance to important water/wastewater systems.

In conclusion, I wish to thank each department director and supervisor who spent many hours in the preparation of this budget. I especially wish to thank Assistant City Manager Sharon Hayes, who provided invaluable assistance during this process. The Weatherford Municipal Utility has achieved great things during the current fiscal year. With the leadership of the Municipal Utility Board, each utility is now expected to be self-sufficient. The transfer of certain operational costs to the General Fund will allow the Utility Fund budget to be more easily understood and should ultimately provide additional opportunities for cost savings in the future. These are significant steps in the right direction toward providing outstanding services at the best possible cost.

Respectfully submitted,

Jerry Blaisdell  
City Manager



## Schedule of Changes

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On July 26, 2012, the City Manager's Office presented the FY13 Proposed Municipal Utility Fund Program of Services to the Utility Board. The Board has held several work sessions and one public hearing to discuss any modifications to the budget. Below is a summary of the agreed-upon changes to the Municipal Utility Fund FY13 Program of Services:

- The Utility Board decided to freeze the Other Post-Employment Benefits Reserve at \$350,000. Because the reserve is already at that level, no further contributions will be necessary. This reduces the Electric Non-Departmental proposed budget by \$83,725, the Water Non-Departmental proposed budget by \$49,132, and the Wastewater Non-Departmental budget by \$34,259.
- The Board also decided to add \$1.5 million to the Water Non-Departmental budget for capital expenses.

The above changes result in a \$1,332,884 net increase to proposed expenses for the FY13 Municipal Utility Program of Services above what was proposed to the Board on July 26.



# FY13 Budget Calendar

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1

**Budget Kickoff**

Staff meeting to outline the budget process and methodology, provide target budgets, and distribute forms.

Mar.  
2012

2

**Departmental Budget Submissions**

Department budget items submitted to Office of Management & Budget (OMB).

May  
2012

3

**Budget Development**

Administration and staff begin discussing budget submissions and, incorporating City Council priorities, develop the proposed budget.

Jun.  
Jul.

4

**Budget Submission**

The City Manager's proposed FY13 budget is presented to the Utility Board.

Jul.  
25

5

**Budget Work Sessions Held**

Several public work sessions are held to discuss the proposed budget and incorporate any changes recommended by the Board .

Aug.  
Sep.

6

**Adopt Utility Fund Budget**

Following extensive discussion in August and September, the Utility Board adopts the budget for the following year.

Sept. 27

7

**New Utility Rates Implemented**

Per the rate schedule listed in Appendix D, the new utility rates go into effect.

Oct. 1

# Budget Process & Methodology

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## Overview

This budget document serves as the annual operating plan for the Weatherford Municipal Utility during the fiscal year beginning October 1, 2012, and ending September 30, 2013 (FY13). The funding choices made for FY13 were the result of hundreds of hours of deliberation at various levels: from each individual department to the City Manager and his executive team to the Utility Board and the people. This budget reflects not just the specific financial controls, management information, and policy development information it contains. It is a reflection of the values and goals of the community of Weatherford, Texas. The process by which it was developed was designed to produce a forward-thinking, results-oriented plan for the coming year.

## Purpose of the Budget Process

The purpose of the budget process is to identify and assure compliance with policies dictated by State law, the City Charter, City Ordinances, and administrative procedures. The aim of these policies is to achieve long-term growth and stability within a positive financial condition. These guidelines give direction to administration and staff in planning and directing the Utility's day-to-day financial affairs and in developing financial and management recommendations to the Utility Board. They provide a strategic framework for evaluating both current and proposed activities by preserving the long-standing principles, traditions, and practices of the City of Weatherford.

Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. Being an annual process, budgets are influenced by many factors, including current and projected economic conditions, decisions made in prior budgets, current needs, and long-term goals.

The Municipal Utility Budget is adopted on a **modified accrual basis** consistent with general accepted accounting principles as promoted by the Governmental Accounting Standards Board, with exceptions including that depreciation is not included in the budget, capital purchase are budgeted within the year of appropriation, and debt principal is included. Revenues are included in the budget in the year they are expected to become measureable and available. Expenses are included in the budget when they are measurable, a fund liability is incurred, and the liability will be liquidated with resources included in the budget.

The budget process establishes levels of control as well. Once approved, department staff has the ability to adjust their budgets by transferring funds from one line-item to another within appropriated levels by submitting a budget transfer request, which is reviewed by the Office of Management & Budget (OMB) and the City Manager. However, any revisions which alter the total appropriation level for a department must be approved by the Utility Board.

## Objectives of All Budgets

While every year brings different goals and challenges, all budgets are developed with the following shared objectives:

**Realistically Estimated Revenues:** Each revenue source has been analyzed and estimated realistically to ensure that the practice of conservatism in revenue projections is maintained.

**Efficient, Equitable, and Adequate Funding for Services:** Each service receiving funding should be given adequate

resources to provide quality levels of service. To achieve this goal, some proposals or programs requested by departments are not recommended in the budget. In some cases, alternative requests may be funded at a lesser amount or delayed while utilizing existing services where possible.

**Sound Financial Planning:** Maintenance of adequate unallocated fund balances and reserves for unanticipated events or future allocations is important. Sufficient resources should exist for maintaining adequate balances and for meeting cash-flow requirements while providing the ability to respond to unforeseen circumstances. To achieve this goal, some expenditure requests are not recommended for funding, or are recommended at a lower level than requested. Reserve requirements for each fund are specified in the Financial Management Policy Statements.

## Objectives Specific to This Budget

### Eliminate Cross-Subsidization

As with the city's General Fund, the FY13 Municipal Utility budget represents a transition year. Because all three of the city's utilities (water, wastewater, and electric) are located within the same fund, they have been subject to cross-subsidization in previous years. What this means is that in certain cases, electric revenue has been used to fund water or wastewater expenses. However, as noted in the City Manager's Message, this budget marks the third and final year of rate adjustments recommended by the Municipal Utility Board and consultant R.W. Beck. These rate adjustments are designed to bring in sufficient revenue for water, wastewater, and electric so that they may be self-sustaining in their current operating costs as well as enable each the room to grow strategically with the city as demand grows.

### Ongoing Repair and Replacements

The Weatherford Municipal Utility currently maintains 207 miles of sanitary sewer lines, 272 miles of water mains, and 326 miles of electric distribution lines. In addition to this widespread infrastructure network, the utility is also responsible for maintaining:

- one wastewater treatment plant,
- 9,881 sewer service connections,
- 10,721 water service connections,
- 1,355 fire hydrants, and
- 13,560 electric service connections

Every utility system runs on a large network of assets such as these, and thus must budget ongoing repair and replacement costs to keep the system functioning properly. As with any asset-rich enterprise, the utility's infrastructure has been subject to routine wear and tear, sometimes leading to costly repair or replacement costs.

A summary of the repair and replacement costs budgeted in the operating fund for FY13 can be found on the following page.



## Budget Process & Methodology (cont'd)

Please note that the nature of these costs differ from large-scale capital improvements, which are covered by utility revenue bonds. For more information on those, please see the Appendix A.

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>	<u>Total</u>
Specialized Equipment (\$)	554,592	81,500	718,000	1,354,092
Land/Right of Way (\$)	-	-	20,000	20,000
Utility Line Repairs (\$)	230,000	245,000	1,110,000	1,585,000
Meters (\$)	99,680	12,320	60,000	172,000
Transformers (\$)	-	-	325,000	325,000
<b>Totals (\$)</b>	<b>884,272</b>	<b>338,820</b>	<b>2,233,000</b>	<b>3,456,092</b>

### Water Purification Plant Master Plan

The existing Water Master Plan projects the water purification plant demand exceeding 85% of its capacity in 2016. Per guidelines of the Texas Commission on Environmental Quality (TCEQ), the utility system must expand capacity by designing and constructing a new water treatment plant. The Water Purification Master Plan will identify this as well as other technological and process needs for the future of the water plant. Funding this plan in FY13 will allow staff to begin the planning phase of the new plant, which will in turn support a growth in customer base and demand. The \$125,000 in funds for the commissioning of the master plan are budgeted in the Water Treatment Plant cost center (404).

### Automated Meter Infrastructure Pilot Program

The Automated Meter Infrastructure program is a pilot program funded with available fund balance. This program will purchase and install meters and communications infrastructure, enabling the city to read meters remotely. Potential benefits of this program are that it will give the customer access to their billing information at all times, allow meter re-reads to be accomplished without sending personnel to the site, potentially allow time-of-use rates to be implemented in the future, provide for more responsive outage management, and more efficiently manage meter tampering. If successful, the program could result in system efficiencies and cost avoidance for hiring additional personnel as the system expands.

The FY13 cost for the Automated Meter Infrastructure Pilot Program are as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>	<u>Total</u>
Automated Meter Infrastructure Program (\$)	169,750	-	130,250	300,000

For FY13, the utility system will install these meters in a portion of the city in order to assess their functionality. Prior to the adoption of the FY14 budget, management will discuss the cost of expanding the program, as well as the management and cost benefits of making the program permanent.

## Benbrook Pipeline Valve Automation

In order to supplement the city's natural water supply and help meet demand, the Weatherford Municipal Utility has the ability to pump water from Lake Benbrook into Lake Weatherford, which can, in turn, be pumped into the water purification plant. At a cost of \$135,000, the valve automation program will enable the Benbrook pipeline to pump water directly into the water purification plant, rather than Lake Weatherford. As the city grows in customers and demand, reliance on the Benbrook Pipeline could increase. Streamlining its operation will help to reduce the utility's overall cost for raw water from the Tarrant Regional Water District and provide more flexibility when pumping water from Benbrook. Funds are budgeted in the Water Treatment Plant cost center (404).

## West Substation Reserve

Much like the water utility, growth and development in the city will result in increased electric customer demand, which will eventually necessitate the construction of a new substation. In order to reduce the utility's need to issue debt, the electric utility will be setting aside \$250,000 each year in anticipation of constructing the substation and purchasing substation equipment. Funds are budgeted in the Electric Distribution cost center (454).

## Capital Reserve/Wetlands Project

Similar to the West Substation Reserve, the Utility Board has made it a priority to create a comprehensive renewal and replacement program for the water and wastewater system. As discussed with the Utility Board on June 28, 2012, approximately 30% of the city's water and wastewater system is past its 50-year lifespan. With this in mind, the Board has designated that \$1.5 million in water revenue be set aside for capital projects. Doing so will reduce the amount of debt that needs to be taken out in order to fund the water utility capital improvement plan (CIP).

The Wetlands project is a wastewater effluent reuse project, which the Board has identified as a strategic priority. Effluent from the plant, which currently averages 2.2 million gallons, will be pumped approximately 8 miles to the head waters of Lake Weatherford. The effluent will then be discharged into a constructed wetlands approximately 2 to 3 acres in size. The water will flow through a series of cells and ultimately released into Lake Weatherford. For more information on this and other projects in the Water CIP, please see the CIP section of this document.

## Staff Compensation

As with all General Fund employees, Utility Fund personnel have gone several years without a pay adjustment. For the FY13 budget, the Utility Board approved a 2% across-the-board pay increase for cost-of-living adjustments, and a one-time 2% merit pay increase, effecting employees who have been employed for one year or more. To the right is a breakdown of the pay package by department.

<u>Division</u>	<u>Cost Center</u>	<u>Pay Package (\$)</u>
Water/WW Administration	402	17,969
Water Treatment Plant	404	11,752
Water/WW Maintenance	405	29,126
Water/WW Construction	406	7,467
Utility Administration	422	5,558
Customer Services	205	21,812
Electric Distribution	424	66,844
Warehouse	426	3,492
Engineering	427	11,542
WW Treatment Plant	454	9,619
<b>Total</b>		<b>185,181</b>

# Budget Process & Methodology (cont'd)

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## Organizational Restructuring

FY13 has brought two organizational restructures to the Utilities Fund: The Lake Maintenance Division and the Information Technology Department have been completely moved to the General Fund to create greater operational efficiencies.

The Lake Maintenance Division performs similar functions with regard to mowing, landscaping, and general upkeep of city facilities as the Parks Department. By consolidating them into one unit, it is expected that significant efficiency gains will be realized.

Prior to FY12, the Information Technology Department was located entirely within the Utilities Fund. However, given the scope of the Information Technology Department, city staff made the determination that it made more operational sense to be housed in the General Fund. In FY12, the department was split in half, one part being located in the General Fund and the other remaining in the Utilities Fund. FY13 will complete the process of moving the Information Technology Department entirely into the General Fund.

The Utilities Fund has increased its administrative transfer to the General Fund to accommodate for its funding responsibility for the Lake Maintenance Division and portions of the Information Technology Department.

## Open Data & Transparency

This budget includes funding for several new programs related to the improvement of public information distribution.

Socrata is an open data platform used by numerous cities, states, and federal agencies. It provides convenient, reliable, and consistent access to public data in a variety of formats. During FY13, the Office of Management & Budget will be working closely with each departments to identify data relevant to the public for distribution through this service. In addition to merely hosting data, this service will be utilized to develop an enhanced performance measurement program. For more information on the City of Weatherford's open data initiative, visit [\*\*www.weatherfordtx.gov/data/\*\*](http://www.weatherfordtx.gov/data/).

PublicStuff is a web-and-mobile-based Citizen Response Management (CRM) application. When fully implemented, it will functionally replace the existing service request form on the city web site. It allows for enhanced collaboration and communication between staff and the public, and can integrate with existing city software to streamline responses.

## Future Budget Processes

The final transitional aspect of the FY13 budget has been to set the stage for a long-term oriented, strategically focused budget process. During FY13, the City Council and Utility Board will be updating its Strategic Plan. The results of this plan will be incorporated into the budget process in the following ways:



## Strategic Priorities

The Municipal Utility is facing a city that is growing and developing more each year. This has and will continue to result in increased demand on the utility system, requiring the system to expand to accommodate. As previously noted, this fiscal year's budget includes several areas where the utility is preparing for this expansion, including reserving money for the West Sub Station, designating \$1.5 million for water capital projects, commissioning the water purification plant master plan, and funding the automated metering infrastructure pilot program.

In order to ensure the system grows in an efficient, calculated manner, staff will be working with the Board on a strategic plan for the utility throughout FY13. A strategic plan will allow for more targeted prioritization of future budget requests and allocation of additional revenue capacity.

## Enhanced Performance Measurement

Performance measurement figures can be found throughout the department summary pages in this document. A comprehensive performance measurement program is necessary for staff, managers, and directors to identify and correct operational weaknesses and inefficiencies, as well as report higher level performance statistics to key stakeholders, such as the Utility Board and rate payers. Currently, this document is the sole source for reporting performance measures to the public. However, staff will refine and expand these measures in FY13 as well as begin a process of reporting performance more frequently, with the help of the aforementioned, newly purchased software program called Socrata.





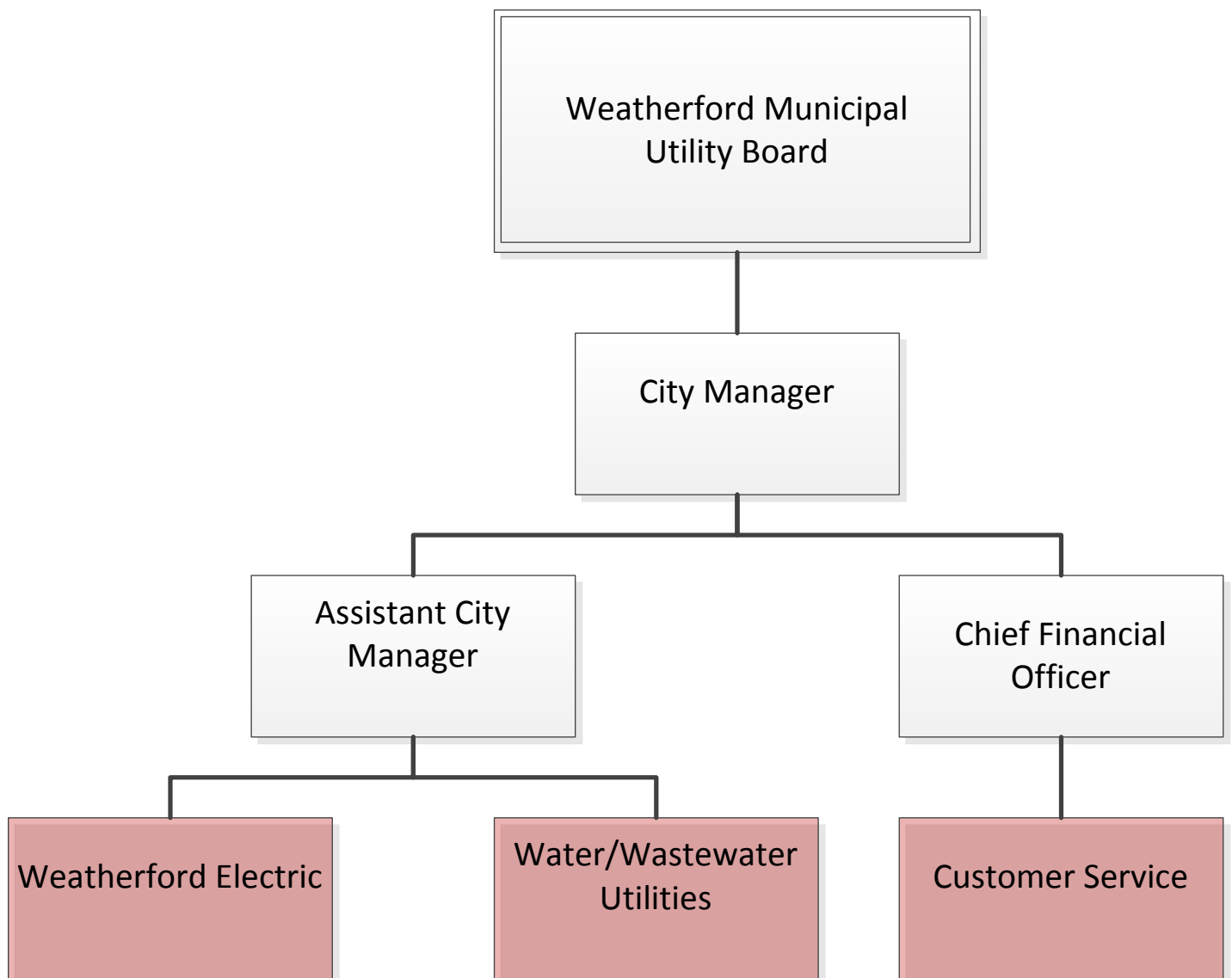






# Municipal Utility Fund

The Municipal Utility Fund has more budgeted expenditures than any other fund. Enterprise funds are accounting units that operate similarly to private business entities. The intent of the governing body is to finance the provision of goods or services to the public on a continuing basis through user charges. Funding for utility system operations comes from monthly billing to customers for the utility services delivered. In addition to the three utility services (electric, water, and wastewater), this fund also includes operational costs for utility billing services and a small portion of the city's Information Technology (IT) budget and Finance budget. The governing board is responsible for providing oversight and setting service rates such that ongoing operations, capital repair and expansion, and reserves are all maintained at an adequate level.



## FY13 Allocations of Administrative Functions

Shared or administrative functions are allocated to each utility for the purpose of showing the total cost of operating each utility. These allocated functions include Customer Service and Information Technology.

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<u>Administrative Function</u>	<u>Cost Center</u>	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
Customer Service	205	33%	33%	33%
Information Technology	423	33%	33%	33%

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The water & wastewater utilities are tightly connected, sharing resources and personnel. Some of the costs for these two utilities are located in the same cost center. In order to correctly account for the total cost of providing each utility, portions of those cost centers are allocated to either utility. The FY13 allocations for these cost centers is below.

### Water/Wastewater Administration

Cost Center 402

Water and wastewater are each allocated 50% of the 100s, 200s, and 300s accounts.

### Water/Wastewater Maintenance

Cost Center 405

Water is allocated 50% of the 100s and 300s accounts, 54% of the 200s accounts, and 63% of the 400s accounts, and wastewater is allocated 50% of the 100s and 300s accounts, 46% of the 200s accounts, and 37% of the 400s accounts.

### Water/Wastewater Rehabilitation

Cost Center 406

Water is allocated 50% of the 100s, 200s, and 300s accounts, and 48% of the 400s accounts, and wastewater is allocated 50% of the 100s, 200s, and 300s accounts, and 52% of the 400s accounts.

### Engineering

Cost Center 427

Water and wastewater are each allocated 50% of the 100s, 200s, and 300s accounts.



**Municipal Utility Fund**  
**Revenue and Expense Summary**

	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Adopted FY12</b>	<b>Projected FY12</b>	<b>Proposed FY13</b>
<b>Beginning Available Working Capital (\$)</b>	<b>9,785,975</b>	<b>9,502,991</b>	<b>14,568,639</b>	<b>14,568,639</b>	<b>14,409,139</b>
<b>Revenue (\$)</b>					
Electric Utility					
Sale of Power	34,738,159	34,549,373	41,173,094	29,004,735	30,404,893
Interest & Other	660,349	715,492	645,727	594,197	785,107
<i>Subtotal Electric</i>	<i>35,398,509</i>	<i>35,264,864</i>	<i>41,818,821</i>	<i>29,598,932</i>	<i>31,190,000</i>
Water Utility					
Sale of Water - Retail	5,496,639	8,052,588	7,437,615	7,512,971	8,810,521
Sale of Water - Wholesale	50,453	158,023	60,000	100,000	68,599
Lake Lot Licenses	699,697	799,165	887,000	799,165	915,000
Water Taps	2,932	3,567	4,398	3,567	3,500
Interest & Other	146,631	78,300	65,849	90,369	68,849
<i>Subtotal Electric</i>	<i>6,396,352</i>	<i>9,091,642</i>	<i>8,454,862</i>	<i>8,506,072</i>	<i>9,866,469</i>
Wastewater Utility					
Service Fees - Retail	3,536,137	4,566,491	4,665,371	4,233,309	4,712,025
Service Fees - Wholesale	123,935	140,458	115,000	118,250	120,000
Wastewater Tap Fees	2,540	1,270	635	1,270	1,200
Pre-Treatment Fees	25,740	29,639	26,000	29,476	26,000
Interest & Other	4,912	3,326	2,000	3,050	2,000
<i>Subtotal Electric</i>	<i>3,693,264</i>	<i>4,741,183</i>	<i>4,809,006</i>	<i>4,385,355</i>	<i>4,861,225</i>
<b>Total Revenue</b>	<b>45,488,125</b>	<b>49,097,689</b>	<b>55,082,689</b>	<b>42,490,359</b>	<b>45,917,694</b>
<b>Expenses (\$)</b>					
Electric					
Administration	565,394	526,266	319,410	305,924	334,924
Distribution	2,906,202	2,918,400	5,808,609	5,765,480	6,842,285
Production	6,972	4,180	13,300	13,300	11,850
Warehouse	224,815	186,960	204,027	198,948	202,900
Non Departmental	28,830,391	26,750,580	35,217,945	22,343,208	23,198,013
<i>Subtotal Electric</i>	<i>32,533,773</i>	<i>30,386,385</i>	<i>41,563,291</i>	<i>28,626,860</i>	<i>30,589,972</i>
Finance					
Customer Service	1,033,592	1,039,791	1,101,149	1,089,149	1,156,800
<i>Subtotal Finance</i>	<i>1,033,592</i>	<i>1,039,791</i>	<i>1,101,149</i>	<i>1,089,149</i>	<i>1,156,800</i>
Information Technology					
Information Technology	963,353	1,141,706	636,895	668,434	27,873
<i>Subtotal Information Technology</i>	<i>963,353</i>	<i>1,141,706</i>	<i>636,895</i>	<i>668,434</i>	<i>27,873</i>

**Municipal Utility Fund**  
**Revenue and Expense Summary**

	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Adopted FY12</b>	<b>Projected FY12</b>	<b>Proposed FY13</b>
<b>Water</b>					
Administration	295,461	301,828	306,094	305,204	295,592
Water Treatment Plant	1,232,646	1,850,423	2,102,164	2,068,931	2,552,022
Water/WW Maintenance	866,920	824,629	1,045,846	1,042,368	1,315,219
Water/WW Rehabilitation	141,454	121,215	385,224	384,009	408,496
Engineering	149,166	207,796	334,335	332,779	252,080
SIB Loan <sup>1</sup>	-	-	570,792	494,000	-
Lake Maintenance	217,867	206,139	255,800	251,279	-
Non Departmental	2,422,827	2,583,482	4,084,695	4,136,966	6,646,283
<i>Subtotal Water</i>	<i>5,326,341</i>	<i>6,095,512</i>	<i>9,084,949</i>	<i>9,015,535</i>	<i>11,469,692</i>
<b>Wastewater</b>					
Administration	295,461	301,828	306,094	305,204	295,592
Water/WW Maintenance	800,220	800,305	1,005,430	1,017,943	1,127,593
Water/WW Rehabilitation	141,454	121,215	417,974	399,959	424,446
Engineering	149,166	207,796	334,335	332,779	252,080
SIB Loan <sup>1</sup>	-	-	180,250	156,000	-
Wastewater Treatment Plant	787,339	777,837	976,459	922,982	928,477
Non Departmental	1,212,127	1,248,360	1,294,156	1,334,016	1,545,574
<i>Subtotal Wastewater</i>	<i>3,385,767</i>	<i>3,457,341</i>	<i>4,514,697</i>	<i>4,468,882</i>	<i>4,573,762</i>
<b>Total Expenses</b>	<b>43,242,826</b>	<b>42,120,735</b>	<b>56,900,982</b>	<b>43,868,859</b>	<b>47,818,099</b>
<b>Revenue Over/(Under) Expenses (\$)</b>	<b>2,245,299</b>	<b>6,976,954</b>	<b>(1,896,955)</b>	<b>(1,378,500)</b>	<b>(1,900,404)</b>
<b>GAAP &amp; Change in Non Budgetary</b>					
Working Capital Adjustments	1,072,117	2,348,475	-	-	-
Capitalized Expenses	-	-	-	-	-
Release Reserved Fund Balance	-	-	-	-	145,447
Transfer from Other Funds <sup>3</sup>	83,558	37,832	-	-	-
Contributions	1,068,437	485,997	1,319,000	1,219,000	-
Debt Service Costs <sup>2</sup>	(4,752,395)	(4,783,610)	-	-	-
<b>Ending Working Capital (\$)</b>	<b>9,502,991</b>	<b>14,568,639</b>	<b>14,069,347</b>	<b>14,409,139</b>	<b>12,654,182</b>
				One-Time Costs	3,549,906
				Ongoing Costs	44,268,192
				TRWD Reserve	(399,760)
				Lake Lot License Reserve	(200,000)
				60 Day Target Reserve	(7,276,963)
				Available Working Capital	4,777,459
				One Day Cost (Ongoing Costs/365)	121,283
				Total Working Days	104
				Available Working Days	39
Notes:					
1. State Infrastructure Bank Loan P&I are budgeted in Water & Wastewater Non Departmental.					
2. Debt service payments for current and future years are shown in the expenses section.					
3. Incoming transfers for current and future years are shown in the revenue section.					

**Municipal Utility Fund**  
**Electric Utility FY13 Operating Position**

	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Adopted FY12</b>	<b>Amended FY12</b>	<b>Proposed FY13</b>
<b>Revenue (\$)</b>					
Electric Utility					
Sale of Power	34,738,159	34,549,373	41,173,094	29,004,735	30,404,893
Interest & Other	660,349	715,492	645,727	594,197	785,107
<b>Total Revenue</b>	<b>35,398,509</b>	<b>35,264,864</b>	<b>41,818,821</b>	<b>29,598,932</b>	<b>31,190,000</b>
<b>Expenses (\$)</b>					
Electric					
Administration	565,394	526,266	319,410	305,924	334,924
Distribution	2,906,202	2,918,400	5,808,609	5,765,480	6,842,285
Production	6,972	4,180	13,300	13,300	11,850
Warehouse	224,815	186,960	204,027	198,948	202,900
Non Departmental	28,830,391	26,750,580	35,217,945	22,343,208	23,198,013
<i>Subtotal Electric</i>	<i>32,533,773</i>	<i>30,386,385</i>	<i>41,563,291</i>	<i>28,626,860</i>	<i>30,589,972</i>
Allocated Functions					
Customer Service	344,531	346,597	367,050	363,050	385,600
Information Technology	321,118	380,569	212,298	222,811	9,291
<i>Subtotal Allocated Functions</i>	<i>665,648</i>	<i>727,166</i>	<i>579,348</i>	<i>585,861</i>	<i>394,891</i>
<b>Total Expenses (\$)</b>	<b>33,199,421</b>	<b>31,113,550</b>	<b>42,142,639</b>	<b>29,212,721</b>	<b>30,984,863</b>
<b>Revenue Over/(Under) Expenses (\$)</b>	<b>2,199,087</b>	<b>4,151,314</b>	<b>(323,818)</b>	<b>386,211</b>	<b>205,137</b>

One-Time Expenses      1,045,369

Ongoing Revenues      31,190,000

Ongoing Expenses      29,939,494

Net Operating Gain/(Loss)      1,250,506

**Municipal Utility Fund**  
**Water Utility FY13 Operating Position**

	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Adopted FY12</b>	<b>Amended FY12</b>	<b>Proposed FY13</b>
<b>Revenue (\$)</b>					
Water Utility					
Sale of Water - Retail	5,496,639	8,052,588	7,437,615	7,512,971	8,810,521
Sale of Water - Wholesale	50,453	158,023	60,000	100,000	68,599
Lake Lot Licenses	699,697	799,165	887,000	799,165	915,000
Water Taps	2,932	3,567	4,398	3,567	3,500
Interest & Other	146,631	78,300	65,849	90,369	68,849
<b>Total Revenue</b>	<b>6,396,352</b>	<b>9,091,642</b>	<b>8,454,862</b>	<b>8,506,072</b>	<b>9,866,469</b>
<b>Expenses (\$)</b>					
Water					
Administration	295,461	301,828	306,094	305,204	295,592
Water Treatment Plant	1,232,646	1,850,423	2,102,164	2,068,931	2,552,022
Water/WW Maintenance	866,920	824,629	1,045,846	1,042,368	1,315,219
Water/WW Rehabilitation	141,454	121,215	385,224	384,009	408,496
Engineering	149,166	207,796	334,335	332,779	252,080
SIB Loan	-	-	570,792	494,000	-
Lake Maintenance	217,867	206,139	255,800	251,279	-
Non Departmental	2,422,827	2,583,482	4,084,695	4,136,966	6,646,283
<i>Subtotal Water</i>	<i>5,326,341</i>	<i>6,095,512</i>	<i>9,084,949</i>	<i>9,015,535</i>	<i>11,469,692</i>
Allocated Functions					
Customer Service	344,531	346,597	367,050	363,050	385,600
Information Technology	321,118	380,569	212,298	222,811	9,291
<i>Subtotal Allocated Functions</i>	<i>665,648</i>	<i>727,166</i>	<i>579,348</i>	<i>585,861</i>	<i>394,891</i>
<b>Total Expenses</b>	<b>5,991,989</b>	<b>6,822,678</b>	<b>9,664,297</b>	<b>9,601,396</b>	<b>11,864,583</b>
<b>Revenue Over/(Under) Expenses (\$)</b>	<b>404,363</b>	<b>2,268,964</b>	<b>(1,209,435)</b>	<b>(1,095,324)</b>	<b>(1,998,114)</b>
One-Time Expenses					2,265,478
Ongoing Revenues					9,866,469
Ongoing Expenses					9,599,105
Net Operating Gain/(Loss)					267,365

**Municipal Utility Fund**  
**Wastewater Utility FY13 Operating Position**

	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Adopted FY12</b>	<b>Amended FY12</b>	<b>Proposed FY13</b>
<b>Revenue (\$)</b>					
Wastewater Utility					
Service Fees - Retail	3,536,137	4,566,491	4,665,371	4,233,309	4,712,025
Service Fees - Wholesale	123,935	140,458	115,000	118,250	120,000
Wastewater Tap Fees	2,540	1,270	635	1,270	1,200
Pre-Treatment Fees	25,740	29,639	26,000	29,476	26,000
Interest & Other	4,912	3,326	2,000	3,050	2,000
<b>Total Revenue</b>	<b>3,693,264</b>	<b>4,741,183</b>	<b>4,809,006</b>	<b>4,385,355</b>	<b>4,861,225</b>
<b>Expenses (\$)</b>					
Wastewater					
Administration	295,461	301,828	306,094	305,204	295,592
Water/WW Maintenance	800,220	800,305	1,005,430	1,017,943	1,127,593
Water/WW Rehabilitation	141,454	121,215	417,974	399,959	424,446
Engineering	149,166	207,796	334,335	332,779	252,080
SIB Loan	-	-	180,250	156,000	-
Wastewater Treatment Plant	787,339	777,837	976,459	922,982	928,477
Non Departmental	1,212,127	1,248,360	1,294,156	1,334,016	1,545,574
<i>Subtotal Wastewater</i>	<i>3,385,767</i>	<i>3,457,341</i>	<i>4,543,091</i>	<i>4,468,882</i>	<i>4,573,762</i>
Allocated Functions					
Customer Service	344,531	346,597	367,050	363,050	385,600
Information Technology	321,118	380,569	212,298	222,811	9,291
<i>Subtotal Allocated Functions</i>	<i>665,648</i>	<i>727,166</i>	<i>579,348</i>	<i>585,861</i>	<i>394,891</i>
<b>Total Expenses</b>	<b>4,051,415</b>	<b>4,184,507</b>	<b>5,094,045</b>	<b>5,054,743</b>	<b>4,968,653</b>
<b>Revenue Over/(Under) Expenses (\$)</b>	<b>(358,151)</b>	<b>556,676</b>	<b>(285,039)</b>	<b>(669,388)</b>	<b>(107,428)</b>

One-Time Expenses      244,256

Ongoing Revenues      4,861,225

Ongoing Expenses      4,724,397

Net Operating Gain/(Loss)      136,829







## Electric Customer Breakdown (10/11—9/12)

Top Ten Electric Customers	Revenue (\$)
Weatherford ISD	1,125,367
Heritage Plastic	712,211
Weatherford Texas Hospital Corp	613,018
Jamak, Inc.	449,690
Wal-Mart	359,701
Weatherford Aerospace	330,627
Weatherford College	344,237
Lowe's	175,817
Albertson's	169,010
Home Depot	162,470
<b>Total</b>	<b>4,442,148</b>
Top Ten Customers as a % of Total Electric Revenue	16.07%

## Water Customer Breakdown (10/11—9/12)

Top Ten Water Customers	Revenue (\$)
Weatherford ISD	237,536
City of Hudson Oaks	153,735
Weatherford Texas Hospital Corp.	91,970
CEC/Parker County Jail	58,733
Weatherford I-20/Main St.	59,441
Veranda Place	51,652
Weatherford College	61,040
Cypress View Villas	50,810
Blue Beacon	37,951
Southgate Glen Apts	41,125
<b>Total</b>	<b>843,993</b>
Top Ten Customers as a % of Total Water Revenue	10.22%

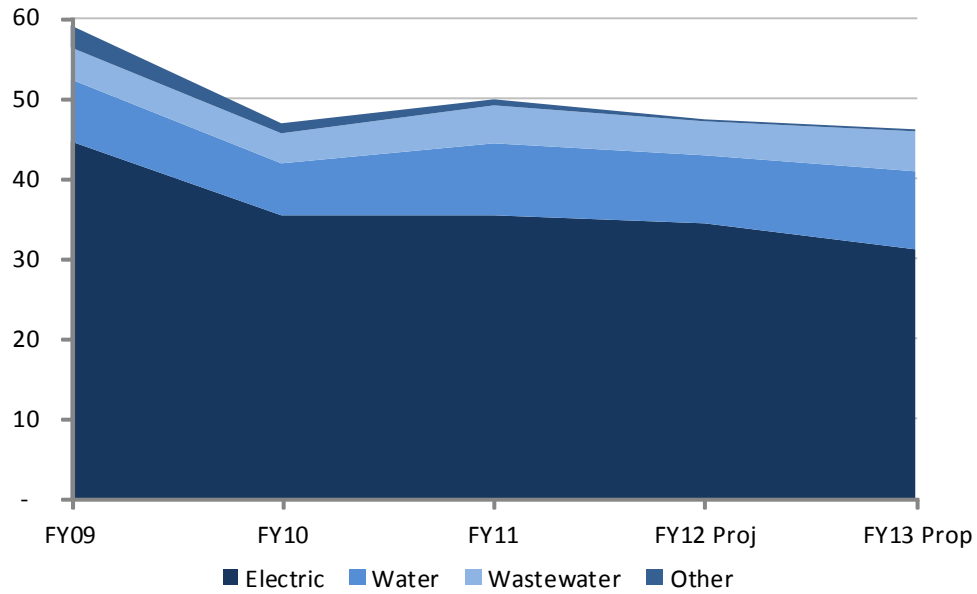
## Wastewater Customer Breakdown (10/11—9/12)

Top Ten Wastewater Customers (2011)	Revenue (\$)
Weatherford ISD	69,944
CEC/Parker County Jail	67,049
Weatherford Texas Hospital Corp	62,376
Veranda Place	60,958
Cypress View Villas	52,578
Blue Beacon	44,682
Weatherford College	35,890
Southgate Glen Apartments	35,489
Holland Lake Partners	32,979
College Park Apartments	32,261
<b>Total</b>	<b>494,206</b>
Top Ten Customers as a % of Total WW Revenue	11.58%

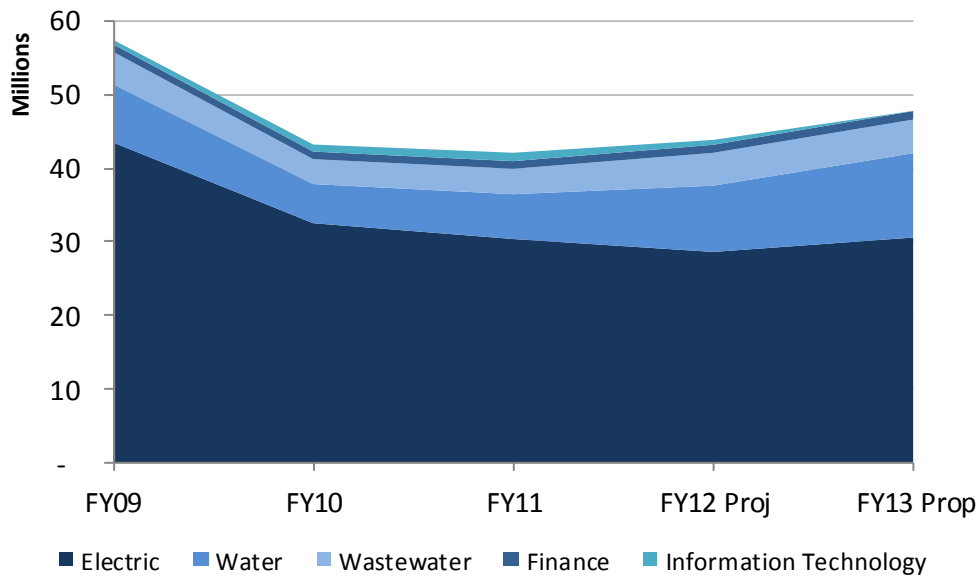
## Facilities Profile (2011)

<b>Sanitary Sewer System</b>	
Miles of Sanitary Sewers	207
Number of Treatment Plants	1
Number of Service Connections	9,881
Daily Average Treatment (gallons)	2,133,000
<b>Water System</b>	
Miles of Water Mains	272
Number of Service Connections	10,721
Number of Fire Hydrants	1,355
Daily Average Consumption (gallons)	4,730,000
Maximum Daily Capacity of Plant (gallons)	14,000,000
Total Water Storage Capacity	7,600,000
<b>Electric Distribution System</b>	
Miles of Distribution Lines	326
Number of Service Connections	13,560
Total System Peak Demand (kw)	96,681

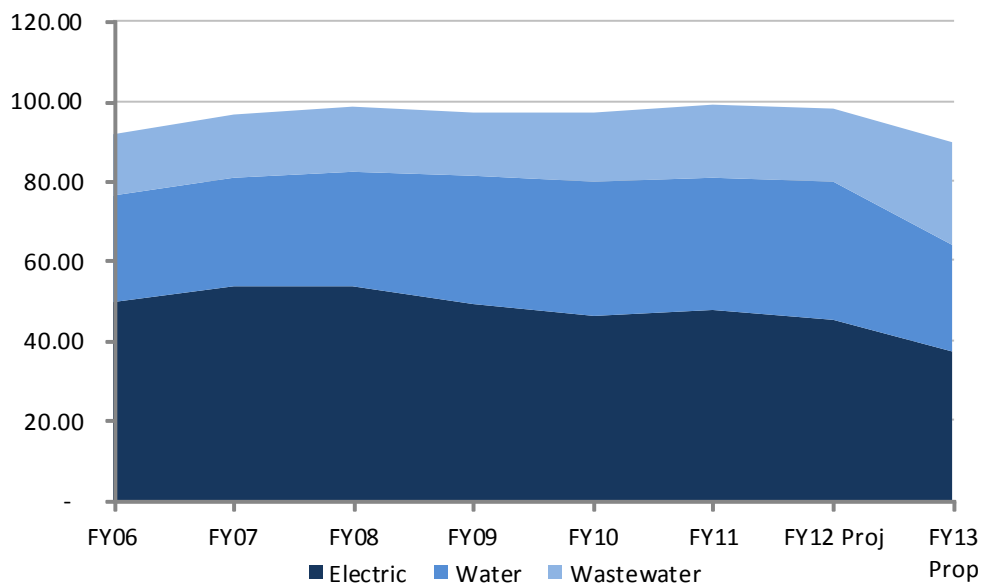
Historical Fund Revenues by Utility (millions)



Historical Fund Expenses by Utility (millions)

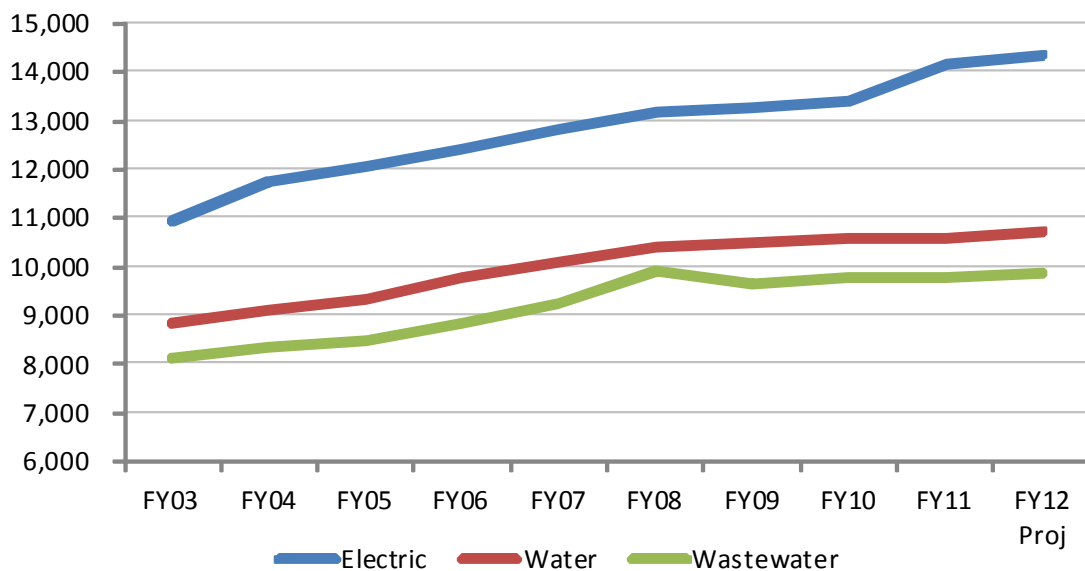


Historical Personnel (FTE) by Utility

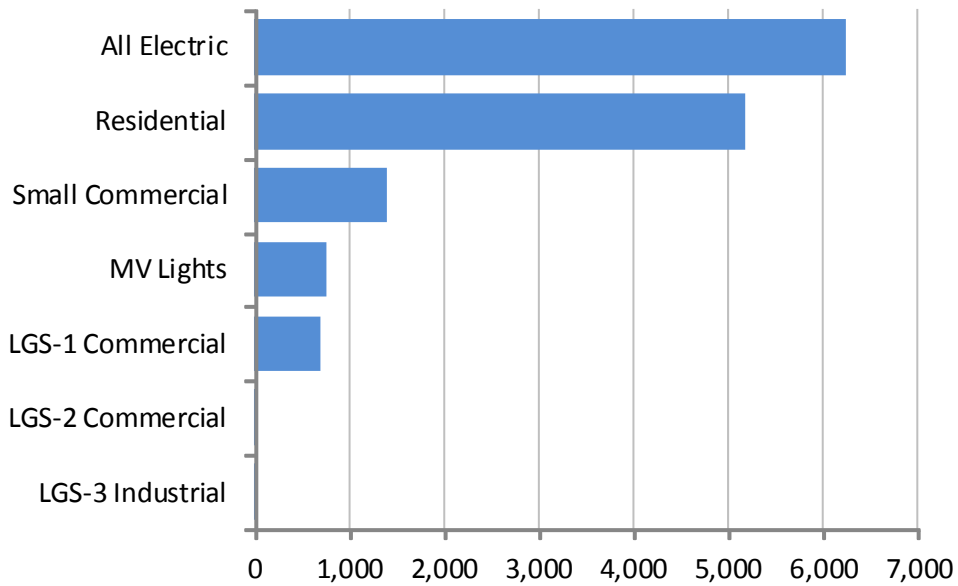


Note: Removal of Information Technology affects FY13 allocation & total position count.

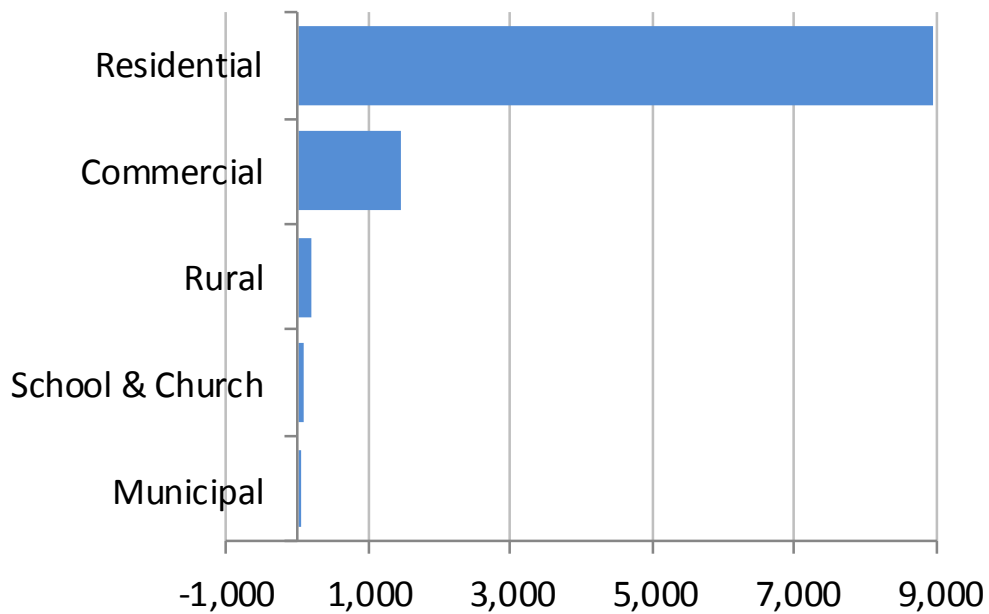
Historical Number of Customers by Utility



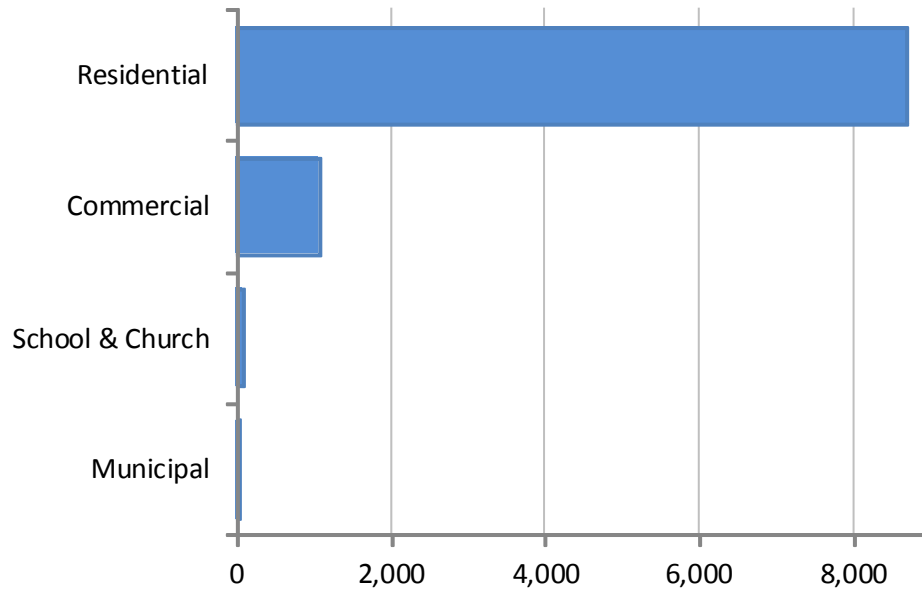
FY12 Electric Customers by Class



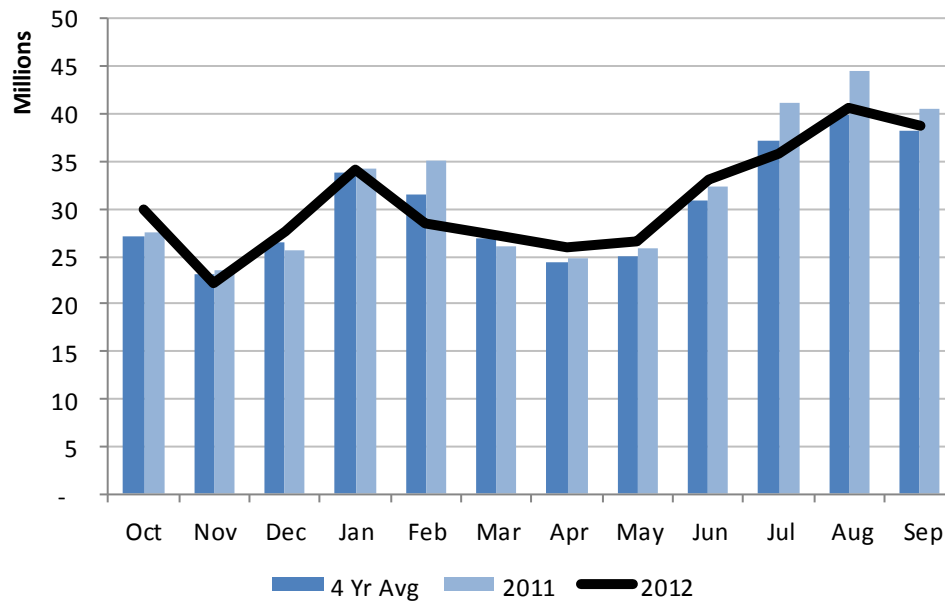
FY12 Water Retail Customers by Class



FY12 Wastewater Customers by Class

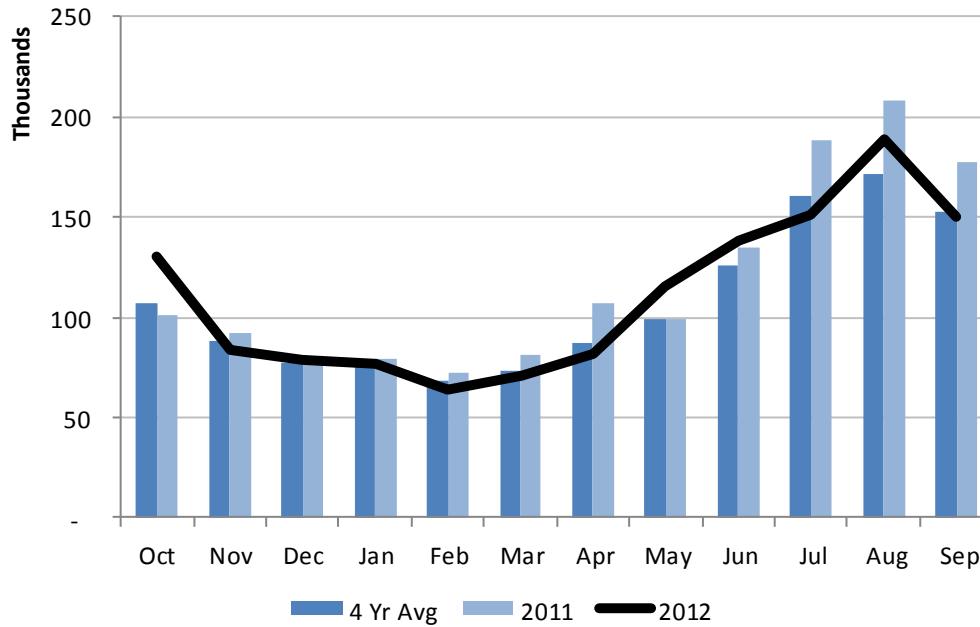


FY12 Electric Consumption vs. Historical (millions)

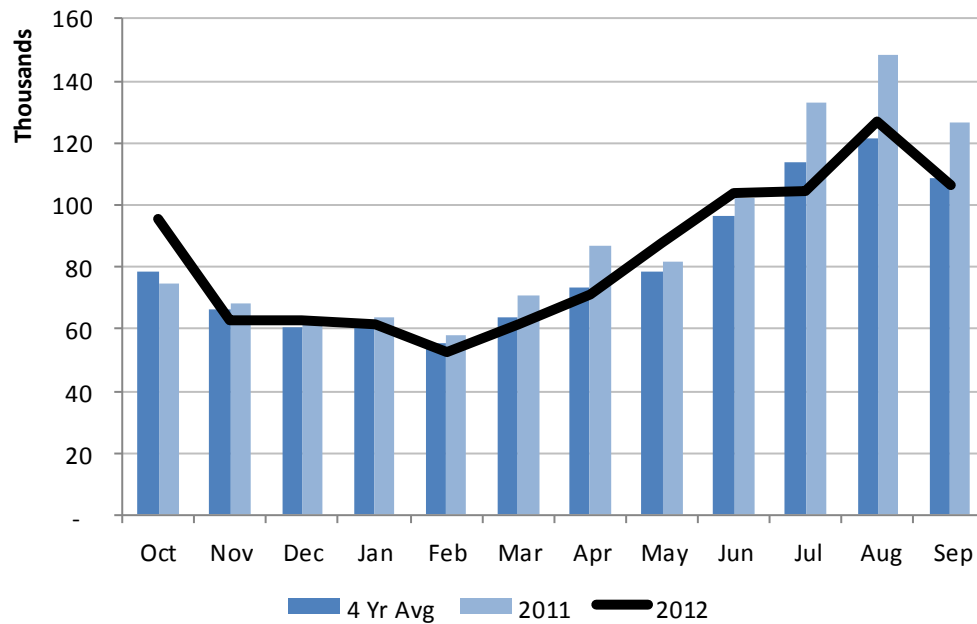




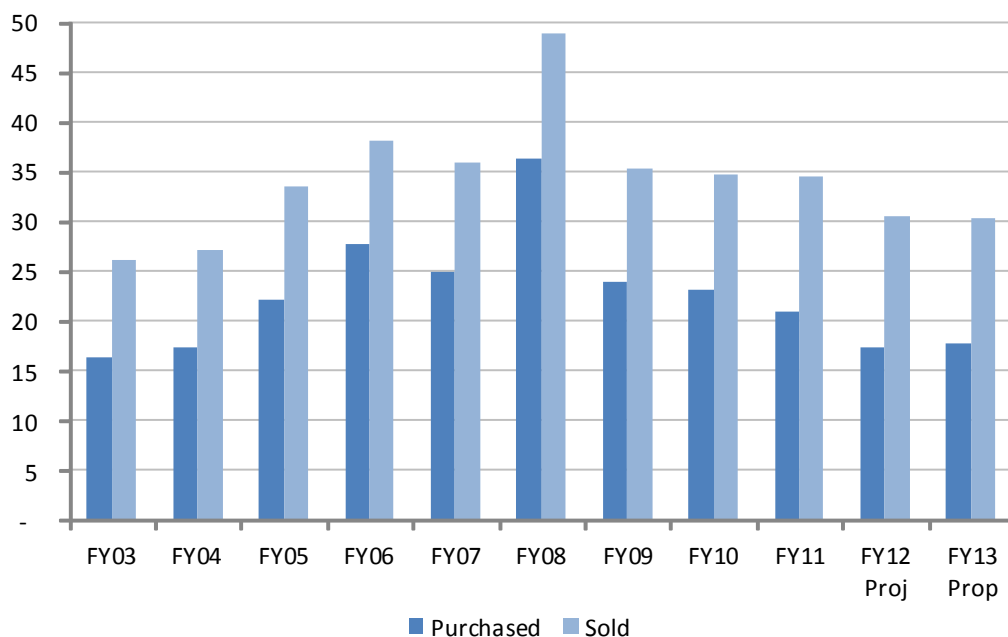
FY12 Water Consumption vs. Historical (thousands)



FY12 Wastewater Consumption vs. Historical (thousands)



Historical Electric Sales Revenue vs. Purchase Cost (millions)



The chart above shows the difference between the cost to purchase power and the revenue from power sold. The difference between these two items represents the bulk of the available operating revenue for the electric utility. Historically, these data have been shown in a manner that emphasized the percent margin between the costs and revenues. However, the percent margin is highly dependent upon a variety of items that do not affect revenue available for operations, most notably the price of gas.

The Weatherford Electric Utility has the ability to produce electricity for distribution, but it is often more cost effective to operate as a pass-through entity. As such, the electric rate is comprised primarily of two components: one portion represents the pass-through cost for purchasing power, and the other represents the operational costs of running and maintaining the utility.

The portion of the rate that acts as a pass-through fluctuates depending on the cost of purchasing power. When the purchase cost increases or decreases, the electric rate passes those costs or savings to the consumer. The other portion is used for operations of the utility, is set by the Municipal Utility Board, and largely remains constant throughout the year (although it may fluctuate slightly from month to month in order to stabilize the rate over the course of the year).

The most important variable that determines operating revenue is *actual* consumption of electricity versus *budgeted or expected* consumption. For that reason, this document emphasizes consumption and net operating revenue over percent margin.







## **Municipal Utility Fund Revenue Summary**

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The Municipal Utility Fund is an enterprise fund, and each utility is run similarly to a private business enterprise. As such, specific services are provided to customers, and revenues are generated based on charges for those services. In addition to direct service charges, there are a variety of other revenue sources available to each utility.

Electric Department revenues include service charges, interest income, pole rental charges, service initiation and transfer charges, late payment fees, and other miscellaneous items including transfers from other funds.

Water Department revenues include service charges for retail and wholesale customers, interest income, connection fees, lake lot leases, water tower license fees, and other miscellaneous items including transfers from other funds.

Wastewater Department revenues include service charges for retail and wholesale customers, interest income, tap fees, and other miscellaneous items including transfers from other funds.

**Electric System Revenues (\$)**

	<b>Actual FY11</b>	<b>Adopted FY12</b>	<b>Projected FY12</b>	<b>Proposed FY13</b>
Electric Utility	34,549,373	41,173,094	29,004,735	30,404,893
Returned Check Charges	12,840	10,000	10,980	10,000
Interest Income	19,615	25,000	20,000	25,000
Net Change In Fair Value - Investments	(1,881)	-	-	-
Sale Of Fixed Assets	2,758	-	2,758	-
Sale Of Salvage	7,004	5,000	6,357	5,000
Pole Rental - Cable TV	111,100	110,620	110,620	110,000
Late Payment Fees	174,949	160,000	158,000	160,000
Temp Connects & Recon- nects	82,730	80,000	87,000	80,000
Service Initiation Fees	81,715	85,000	81,000	85,000
Service Transfer Fees	9,985	12,000	11,000	12,000
Electric Miscellaneous	214,677	80,000	80,000	120,000
Contributions In Aid Of Con- struction	*72,718	*100,000	-	100,000
Proceeds From Lease/ Purchase Agreements	-	*569,000	*569,000	-
Transfer From Utility Re- serve	-	49,000	-	49,000
Transfer From Solid Waste	*26,482	29,107	26,482	29,107
<b>Total Revenue</b>	<b>35,364,064</b>	<b>42,487,821</b>	<b>29,698,932</b>	<b>31,190,000</b>

\*this item is shown below the expenditures section in the Revenue and Expense Summary section of this document.

**Water System Revenues (\$)**

	<b>Actual FY11</b>	<b>Adopted FY12</b>	<b>Amended FY12</b>	<b>Proposed FY13</b>
Inspection Service Fee	11,069	-	11,069	-
Wholesale Water Sales	158,023	60,000	100,000	68,599
Water Utility	8,052,588	7,437,615	7,512,971	8,810,521
Raw Water Sales	2,500	2,500	2,500	2,500
TRWD Pumping Pass-Through	-	-	-	-
Water Taps	3,567	4,398	3,567	3,500
Water Connection Fee	26,370	12,000	22,375	15,000
Sale Of Fixed Assets	3,480	-	3,480	-
Sale Of Salvage	610	-	166	-
Lake Lot Leases	799,165	887,000	799,165	915,000
Lake Lot Transfers	5,350	4,500	5,900	5,000
Lake Concession Rental	8,762	10,000	9,740	9,500
Water Tower License Fee	16,375	16,375	16,375	16,375
Shortages & Overages	(74)	-	-	-
Water Miscellaneous	3,858	8,000	7,414	8,000
Contributions-Dedicated Assets	*255,022	-	-	-
Transfer From Other Funds	*11,350	12,474	11,350	12,474
<b>Total Revenue</b>	<b>9,358,014</b>	<b>8,454,862</b>	<b>8,506,072</b>	<b>9,866,469</b>

\*this item is shown below the expenditures section in the Revenue and Expense Summary section of this document.



**Wastewater System Revenues (\$)**

	<b>Actual FY11</b>	<b>Adopted FY12</b>	<b>Amended FY12</b>	<b>Proposed FY13</b>
Sewer Fees	4,566,491	4,665,371	4,233,309	4,712,025
Pre-Treatment Fees	29,639	26,000	29,476	26,000
Sewer Taps	1,270	635	1,270	1,200
Non System Wastewater Maint	1,084	-	750	-
Non System Wastewater Svc Fee	140,458	115,000	118,250	120,000
Sewer Miscellaneous	2,242	2,000	2,300	2,000
Contributions-Dedicated As- sets	*158,257	-	-	-
<b>Total Revenue</b>	<b>4,899,440</b>	<b>4,809,006</b>	<b>4,385,355</b>	<b>4,861,225</b>
 <b>Total System Revenue</b>	 <b>49,621,519</b>	 <b>55,751,689</b>	 <b>42,590,359</b>	 <b>45,917,694</b>

\*this item is shown below the expenditures section in the Revenue and Expense Summary section of this document.

## Revenue Worksheets

The calculations below were utilized to project revenue for the Electric, Water and Wastewater Utilities in conjunction with an updated cost of service model provided by SAIC (formerly RW Beck).

### Electric Revenue

<b>Base Rate (\$, not including \$.015 of PP)</b>	
Industrial	639,914
All Other	12,090,151
<b>Subtotal*</b>	<b>12,730,065</b>
 <b>Fuel &amp; Purchase Power (\$, includes \$.015 of PP)</b>	
Industrial	1,307,984
All Other	16,366,844
<b>Subtotal**</b>	<b>17,674,828</b>
 <b>Total Revenues</b>	
Industrial	1,947,898
All Others	28,456,995
<b>Total Retail Sales Revenue</b>	<b>30,404,893</b>

\* Net operating capital available for the Electric Utility

\*\* Proposed FY13 subtotal is budgeted in 11-2-902-373

### Water Revenue

<b>Retail Water Sales Worksheet</b>	
FY12 Projected Water Consumption (000s gallons)	1,231,989
1% Projected Growth Factor (000s gallons)	12,320
	<hr/>
FY13 Projected Water Consumption (000s gallons)	1,244,309
FY12 Effective Rate per 1000 gallons (\$)	6.31
FY13 Projected Retail Revenue (\$)	7,852,514
Estimated Impact of Third Year Rate Adjustments (\$)	958,007
FY13 Total Projected Retail Revenue (\$)	<hr/> 8,810,521 <hr/>

### Sewer Revenue

FY12 Budgeted Revenue (\$)	4,665,371
1% Projected Growth Factor (\$)	46,654
	<hr/>
FY13 Projected Wastewater Revenue (\$)	<hr/> 4,712,025 <hr/>







## Water/Wastewater

Weatherford Water/Wastewater Utility is the municipal utilities provider for the City of Weatherford. It manages the treatment and distribution of water, the treatment of wastewater, and the maintenance of all water/wastewater assets owned by the utility. Operating divisions include Administration, Water Treatment Plant, Water/Wastewater Maintenance, Water/Wastewater Rehabilitation, Engineering, Wastewater Treatment Plant, and Non Departmental. It is administered by the Director of Water/Wastewater Utilities, and overseen by the Weatherford Municipal Utility Board.



# Water/Wastewater Administration (402)

The Water/Wastewater Administration Division is responsible for the supervision of all water and wastewater employees and the functions of these systems. This division also coordinates all construction projects on a day-to-day basis, oversees contractors, and ensures that all requirements of the EPA, TCEQ, and Texas Health Department are met. This division oversees collection and analysis of samples collected in the distribution system to ensure the quality of the city's drinking water and operates and maintains a superior Pretreatment Program for industrial and domestic discharges to the sewer system.

### Major Division Goals:

1. To ensure that customers are provided with a safe supply of drinking water.
2. To ensure that wastewater is properly treated prior to discharge into the environment.
3. To ensure that the distribution and collection systems operate in a proper manner to provide customers with an acceptable level of service.

### FY12 Accomplishments:

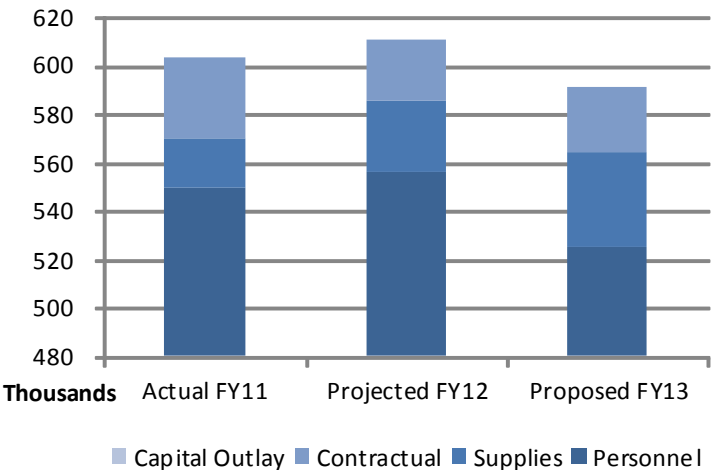
1. Completed construction of all projects under design.
2. Continued to maintain distribution and collection system to meet customers' needs.
3. Expanded the role of Environmental Compliance and Regulatory Affairs in the organization.

### FY13 Objectives:

1. To ensure that customers are provided with a safe supply of drinking water.
2. To ensure that wastewater is properly treated prior to discharge into the environment.
3. Complete construction under design.
4. Working with the public and area organizations on water conservation awareness.
5. Expand pretreatment to focus on streamlining oil and grease control.

### Significant Budget Changes:

Minor increases over FY12 include the one-time purchase of a field communicator in the amount of \$4,900 and an ongoing increase of \$4,000 for electrical testing.



Expenditure Summary (\$)				
Category	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Personnel	549,325	557,926	555,780	524,934
Supplies	20,660	28,012	29,769	38,850
Contractual	33,672	26,250	24,859	27,400
Capital Outlay	-	-	-	-
<b>Total</b>	<b>603,657</b>	<b>612,188</b>	<b>610,408</b>	<b>591,184</b>

<b>Personnel Schedule (FTE)</b>					
Positions	Classification	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Assistant Director	36	1.00	1.00	1.00	1.00
Electric Technician	21	1.00	1.00	1.00	1.00
Environmental and Reg- ulatory Affairs Supervi- sor	20	1.00	1.00	1.00	1.00
Field Services Supervisor	17	1.00	1.00	1.00	1.00
Assistant Electric Tech	14	1.00	1.00	1.00	1.00
Assistant Electric Tech	14	1.00	1.00	1.00	1.00
Environmental Techni- cian	13	1.00	1.00	1.00	1.00
Total		7.00	7.00	7.00	7.00

<b>Performance Measures</b>				
		FY11	FY12	FY13
Input				
1	Inspections Completed		New	New
2	Pretreatment Programs		New	New
Output				
1	Number of water quality samples performed in the distribution sys-	4,500	4,300	
2	Number of inspections performed each year	2,600	2,500	
Effectiveness				
1	Pretreatment Violations		New	New



# Water Treatment Plant (404)

The Weatherford Water Purification Plant is responsible for safely treating water and delivering under sufficient pressure an adequate supply of water for the City of Weatherford customers. This includes meeting all current and proposed state and federal regulations and preparing appropriate reports.

## Major Division Goals:

1. Provide quality water to our customers.
2. Meet and exceed EPA and TCEQ guidelines.
3. Provide maintenance to plant to ensure optimum operations.

## FY12 Accomplishments:

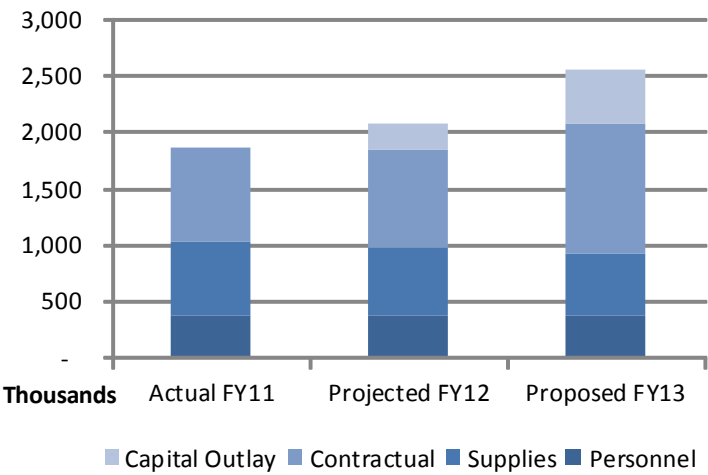
1. Installed new amoniator (NH3) to full flow pace automation.
2. Continued rehab on remaining 2 Trident units.

## FY13 Objectives:

1. Finish rehab on remaining 2 Trident units.
2. Remove scaling on finished water lines at treatment plant.
3. Work with consultant on preparation of water plant master plan.

## Significant Budget Changes:

The Water Treatment Plant has some significant budgetary changes from FY12. Large one-time costs for equipment maintenance and purchases amount to \$336,343 in FY13. In addition, the plant is beginning an initiative to allow the Benbrook pipeline to pump directly into the water purification plant to help streamline operations and reduce overall cost of pumping water from Tarrant Regional Water District. This initiative will cost the utility \$135,000. Finally, the utility will sanction a master plan during the fiscal year. At a price tag of \$125,000, this plan will determine technological and other process needs for the future of the purification plant.



Expenditure Summary (\$)				
	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	374,723	384,894	365,439	377,580
Supplies	647,098	515,077	613,439	549,275
Contractual	828,602	1,084,010	853,999	1,141,591
Capital Outlay	-	118,183	236,055	483,576
Total	1,850,423	2,102,164	2,068,932	2,552,022

<b>Personnel Schedule (FTE)</b>					
Positions	Classification	Actual	Approved	Projected	Proposed
		FY11	FY12	FY12	FY13
Water Plant Manager	22	1.00	1.00	1.00	1.00
Chief Operator	19	1.00	1.00	1.00	1.00
Water Plant Operator II	16	1.00	1.00	1.00	1.00
Water Plant Operator I	12	3.00	3.00	3.00	3.00
Summer Maint. Worker	6	0.33	0.33	0.33	-
Total		6.33	6.33	6.33	6.00

<b>Performance Measures</b>				
		FY11	FY12	FY13
Output				
	Treated water (Million Gallons)	1,426,594	1,231,989	1,244,309
Efficiency				
	Cost per thousand gallons treated (\$)	1.27	1.08	
Effectiveness				
	Tests showing a Chlorine residual of .5 mg/L of water		New	New

## Water/Wastewater Maintenance (405)

The Water/Wastewater Maintenance Division is responsible for the maintenance of 271 miles of water lines, 207 miles of wastewater lines, 1,355 fire hydrants, 24 lift stations, and over 400 grinder pumps. This division includes a pump and motor maintenance crew, which is responsible for the preventative maintenance and repairs of the lift stations, raw water pump station, 6 distribution pump stations, and the water and wastewater treatment plants. The division also includes a water meter shop, which is responsible for the installation, repair, and testing of 11,155 commercial and residential meters.

### Significant Budget Changes:

This division's FY13 budget includes an Automated Metering Infrastructure pilot program (FY13 cost of \$169,750), which could expand in future years, pending year-end evaluation. The division is also adding one Maintenance Worker I (\$46,270 ongoing cost), as well as an ongoing increase of \$34,000 for water meter rehab and replacements.

### Major Division Goals:

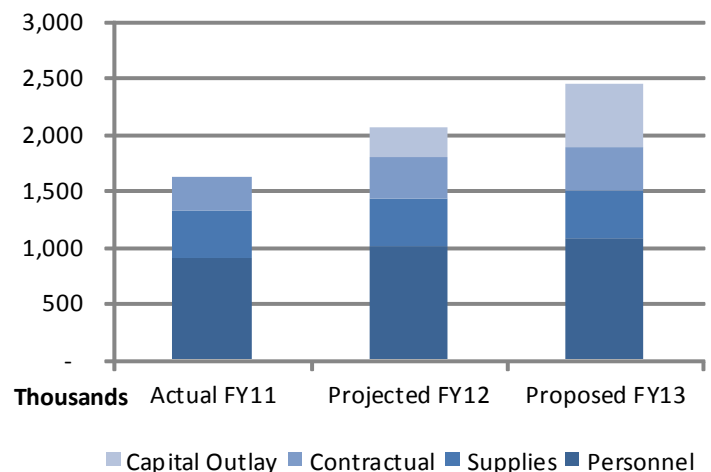
1. Reduce sewer stop-ups, back-ups, and overflows.
2. Maintain water and wastewater systems to improve reliability.
3. Clean, inspect, and camera sewer mains to evaluate condition and plan repairs.
4. Upgrade water meters to implement electronic radio read and reduce labor cost.

### FY12 Accomplishments:

1. Continued comprehensive sewer evaluation system.
2. Targeted problem areas in the W/WW system and made necessary corrections.
3. Provided responsive quality service.

### FY13 Objectives:

1. Continue to replace aging water meters to improve accuracy and reduce water loss.
2. Continue to evaluate the wastewater system and target problem areas.
3. Implement a valve & hydrant program to ensure reliability of fire protection.



### Expenditure Summary (\$)

	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Category				
Personnel	902,932	1,028,259	995,139	1,068,315
Supplies	416,970	390,520	433,297	419,000
Contractual	305,332	384,730	372,213	387,230
Capital Outlay	-	247,766	259,662	568,266
<b>Total</b>	<b>1,624,934</b>	<b>2,051,275</b>	<b>2,060,310</b>	<b>2,442,811</b>

<b>Personnel Schedule (FTE)</b>					
Positions	Classification	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Water Utility Manager	20	1.00	1.00	1.00	1.00
Water Utility Supervisor	18	2.00	2.00	2.00	2.00
Pump & Motor Technician	11	1.00	1.00	1.00	1.00
Light Equipment Operator	11	2.00	2.00	2.00	2.00
Wastewater System Tech	11	1.00	1.00	1.00	1.00
Maintenance Worker II	10	3.00	3.00	3.00	3.00
Water Meter Technician	9	2.00	2.00	2.00	2.00
Maintenance Worker I	8	4.00	5.00	5.00	6.00
Summer Maint. Worker	6	0.67	0.67	0.67	-
<b>Total</b>		<b>16.67</b>	<b>17.67</b>	<b>17.67</b>	<b>18.00</b>

Performance Measures				
		FY11	FY12	FY13
Input				
1	Number of system breaks		New	New
2	Number of system overflows		New	New
3	Number of system stop-ups		New	New
Output				
1	Meter Change out (#)	250	250	
2	Comprehensive sewer shed inspection/ cleaning (#)	65,000	60,000	
Efficiency				
1	% of Scheduled maintenance completed on time		New	New



## Water/Wastewater Rehabilitation (406)

The Water/Wastewater Rehabilitation Division is responsible for the replacement of infrastructure in the water distribution and wastewater collection systems in a cost-efficient manner to improve the service and conveyance for the customers of Weatherford Utilities.

### Major Division Goals:

1. Upgrade/replace aging infrastructure in the water distribution and wastewater collection system.
2. Minimize sanitary system overflows by replacing deteriorating and undersized mains.
3. Minimize I & I (Inflow & Infiltration) in the collection system.
4. Minimize water loss in the distribution system and improve fire protection.

### FY12 Accomplishments:

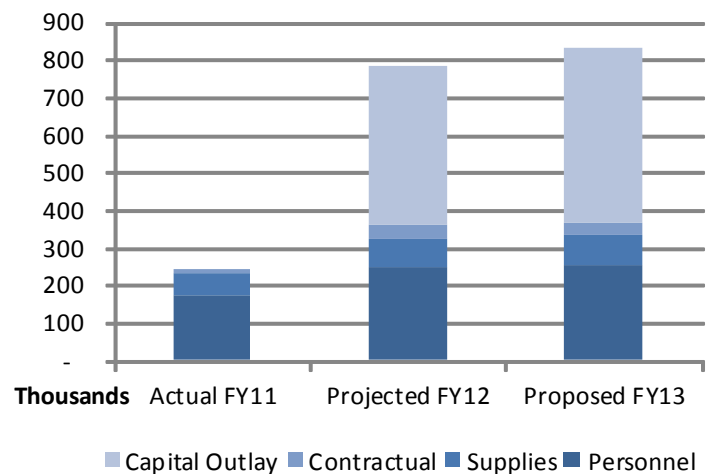
1. Replaced problem areas of the water and wastewater system.

### FY13 Objectives:

1. Continue to target problem areas in the water/wastewater system.

### Significant Budget Changes:

The Water/Wastewater Rehabilitation Division will replace a truck in FY13 in the amount of \$35,335. In addition, the division has budgeted for ongoing cost-of-service materials increases totaling \$6,250. Finally, it is important to note that as the City's water and wastewater infrastructure ages, it will be subject to more failures and require a heavier replacement schedule to stay within state guidelines.



Expenditure Summary (\$)				
Category	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Personnel	170,312	256,311	246,830	249,907
Supplies	60,567	84,127	76,963	80,750
Contractual	11,551	57,510	36,125	36,060
Capital Outlay	-	402,250	424,050	466,225
<b>Total</b>	<b>242,430</b>	<b>803,198</b>	<b>783,967</b>	<b>832,942</b>

<b>Personnel Schedule (FTE)</b>					
Positions	Classification	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Water/WW Construction Supervisor	16	1.00	1.00	1.00	1.00
Maintenance Worker II	10	1.00	1.00	1.00	1.00
Maintenance Worker I	8	3.00	3.00	3.00	3.00
Total		5.00	5.00	5.00	5.00

<b>Performance Measures</b>				
		FY11	FY12	FY13
Input				
1	Work orders from breaks (#)		New	New
2	Work orders from inspections (#)		New	New
3	Work orders from scheduled inspections (#)		New	New
Output				
1	Footage of Wastewater mains replaced (#)		New	New
2	Footage of Water mains replaced (#)		New	New
Efficiency				
1	Cost per foot of Wastewater main replacements (\$)		New	New
2	Cost per foot of Water main replacements (\$)		New	New
Effectiveness				
1	Work orders created on previously repaired lines (#)	0	0	0

# Engineering (427)

The Engineering Division is responsible for providing engineering support to the Weatherford Municipal Utility System and Flood Plain Management. Engineering provides the comprehensive system planning, engineering design, design review, and implementation systems in accordance with local, state, and federal law, as well as good engineering practices. The Engineering Division provides representation for utility system for all predevelopment, development, and preconstruction meetings.

Major Division Goals:

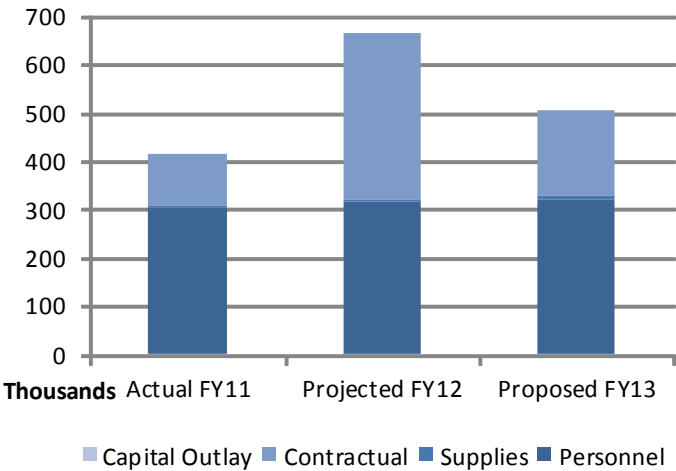
- 1. Provide quality customer service to all internal and external customers.
- 2. Provide engineering design and assistance for utility and public works projects.
- 3. Provide timely review of all developer initiated projects.

FY12 Accomplishments:

- 1. Redesign of water/wastewater website to increase the ease of access of material and information for developers and customers.
- 2. Provide design for water and wastewater projects for in-house construction crews.

FY13 Objectives:

- 1. Work with consultant on preparing a water plant master plan.



Expenditure Summary (\$)				
	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	304,522	316,589	315,126	319,580
Supplies	3,061	6,930	5,979	6,930
Contractual	107,978	345,150	344,455	177,650
Capital Outlay	-	-	-	-
Total	415,592	668,669	665,560	504,160

<b>Personnel Schedule (FTE)</b>					
Positions	Classification	Actual	Approved	Projected	Proposed
		FY11	FY12	FY12	FY13
Director, Water/WW	39	1.00	1.00	1.00	1.00
Civil Engineer	35	-	1.00	1.00	1.00
Graduate Engineer	26	1.00	-	-	-
Engineering Technician	18	1.00	1.00	1.00	1.00
Total		3.00	3.00	3.00	3.00

<b>Performance Measures</b>				
		FY11	FY12	FY13
Input				
1	Plan submittals (#)		New	New
Output				
1	Plan reviews (#)	196	236	
2	Capital Projects Managed (#)		15	
Efficiency				
1	% of first submittals reviewed within 15 days		100%	100%
2	% of resubmittals reviewed within 10 days		100%	100%



## Wastewater Treatment Plant (454)

The Wastewater Treatment Plant is responsible for the treatment of wastewater collected from residences, businesses, and industries. Treatment includes the removal of suspended solids and organic contaminants as well as an ultra-violet disinfection process in order to meet Texas Commission on Environmental Quality discharge standards. Chemical and biological tests are performed by state certified plant personnel and contract laboratories to assure compliance with discharge permit limits. The Wastewater Treatment Plant treated and released to the receiving stream a total of 779 million gallons in FY11.

### Major Division Goals:

1. Protect the environment by adequately treating all wastewater received into the plant.
2. Remain in compliance with all TCEQ/EPA requirements.
3. Maintain a safe working environment.

### FY12 Accomplishments:

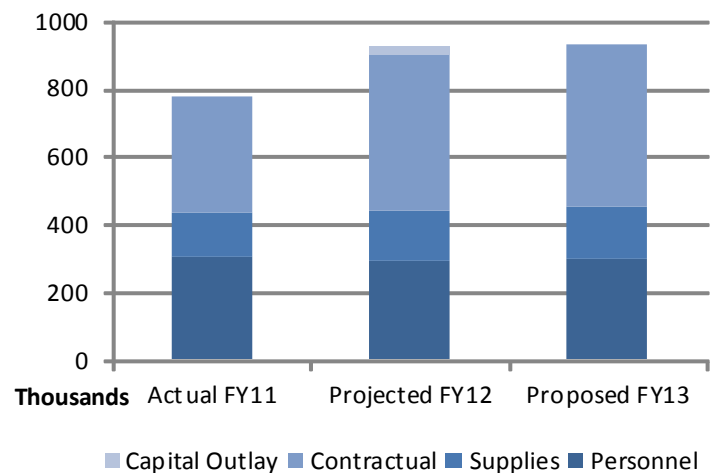
1. Painted all outside tanks and plant facilities.
2. Added LDO probe to orbal.
3. We did not have any violations.
4. Maintained a safe work place with no accidents.
5. Repaired the ongoing problem with the orbal.

### FY13 Objectives:

1. Add LDO probes to old plant.
2. Add PH meter to influent.
3. Add variable speed drives to orbal.
4. Maintain a healthy wastewater process.
5. Add ORP probe at the old plant.

### Significant Budget Changes:

The largest addition to the Wastewater Treatment Plant is a one-time cost of \$40,000 for TCEQ permitting. In addition, FY13's budget includes a \$14,000 ongoing increase in chemicals costs, as well as a little over \$1,000 for cost-of-service increases for materials. Finally, the budget includes \$28,510 in one-time equipment costs for the plant.



### Expenditure Summary (\$)

	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Category				
Personnel	301,185	295,472	293,818	295,412
Supplies	129,522	120,193	147,026	155,864
Contractual	347,130	541,069	461,998	477,201
Capital Outlay	-	19,725	20,140	-
<b>Total</b>	<b>777,837</b>	<b>976,459</b>	<b>922,982</b>	<b>928,477</b>

<b>Personnel Schedule (FTE)</b>					
Positions	Classification	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Wastewater Plant Manager	21	1.00	1.00	1.00	1.00
Wastewater Plant Operator	12	4.00	4.00	4.00	4.00
Summer Maint. Worker	6	0.33	0.33	0.33	-
Total		5.33	5.33	5.33	5.00

<b>Performance Measures</b>				
		FY11	FY12	FY13
Output	Treated wastewater (million gallons)	873	778	841
Efficiency	Treatment cost per 1,000 gallons	\$1.18	\$1.07	
Effectiveness	Fines to the City by TCEQ (#)	0	0	0

## Lake & Utility Maintenance (484)

Lake Maintenance has been merged with Parks Maintenance in the General Fund Budget. Instead of bearing the direct operational costs for this program, the costs are shown along with the administrative services charge for the General Fund. For further information, please see the City of Weatherford General Fund FY13 Program of Services.

### Expenditure Summary (\$)

	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	152,475	170,891	169,639	-
Supplies	31,886	44,800	42,129	-
Contractual	21,778	20,600	20,000	-
Capital Outlay	-	19,509	19,509	-
Total	206,139	255,800	251,278	-

### Personnel Schedule (FTE)

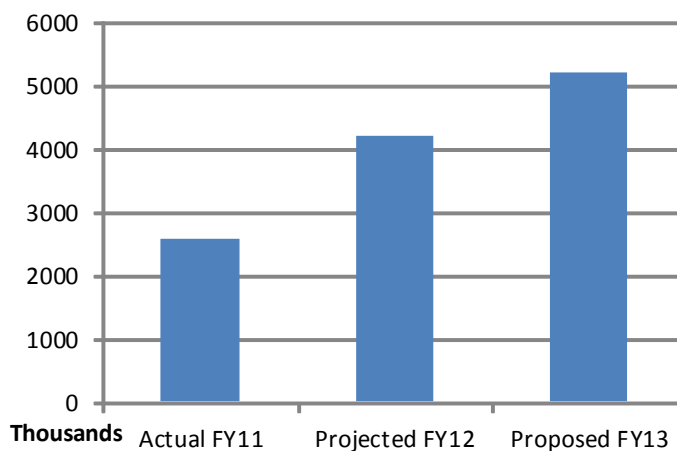
		Actual	Approved	Projected	Proposed
Positions	Classification	FY11	FY12	FY12	FY13
Lake Maintenance Supervisor	15	1.00	1.00	1.00	-
Maintenance Worker	6	2.00	2.00	2.00	-
Summer Maintenance Worker	6	0.67	0.67	0.67	-
Total		3.67	3.67	3.67	-

## Water Non Departmental (903)

Water Non Departmental includes transfers, principle and interest payments, and other general expenses for the Water Utility.

<b>Expenditure Summary (\$)</b>				
	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	2,583,482	4,084,695	4,136,966	6,646,283
Capital Outlay	-	-	-	-
<b>Total</b>	<b>2,583,482</b>	<b>4,084,695</b>	<b>4,136,966</b>	<b>6,646,283</b>

The most significant change in budget for Water Non Departmental is in the administrative services transfer to the General Fund. Because the Lake Maintenance and Information Technology Divisions are now located in the General Fund, Water Non Departmental will be transferring \$285,040 to the General Fund for Lake Maintenance, and \$243,939 for Information Technology.



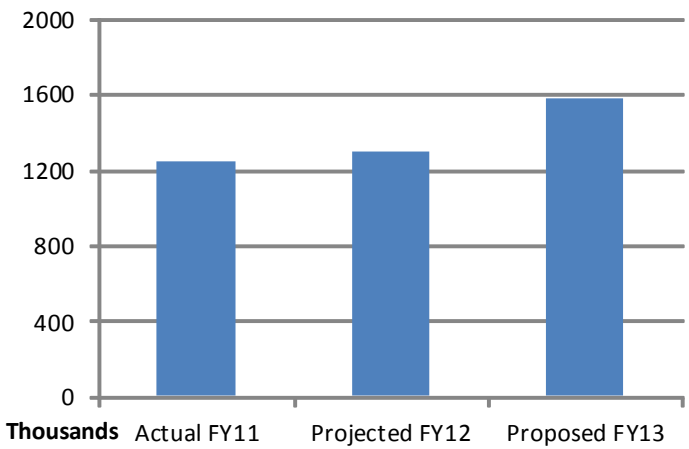


# Wastewater Non Departmental (904)

Wastewater Non Departmental includes transfers, principle and interest payments, and other general expenses for the Wastewater Utility.

Expenditure Summary (\$)				
Category	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	1,248,360	1,294,156	1,334,016	1,545,574
Capital Outlay	-	-	-	-
Total	1,248,360	1,294,156	1,334,016	1,545,574

The most significant change in budget for Wastewater Non Departmental is in the administrative services transfer to the General Fund. Because the Information Technology Division is now located in the General Fund, Wastewater Non Departmental will be transferring \$243,939 to the General Fund for the Wastewater portion of Information Technology.



## SIB Loan Projects (407)

The SIB Loan Projects cost center was developed to account for utility relocation projects financed through the State Infrastructure Bond program.

<b>Expenditure Summary (\$)</b>				
	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	-	101,043	-	-
Capital Outlay	-	650,000	650,000	-
Total	-	751,043	650,000	-

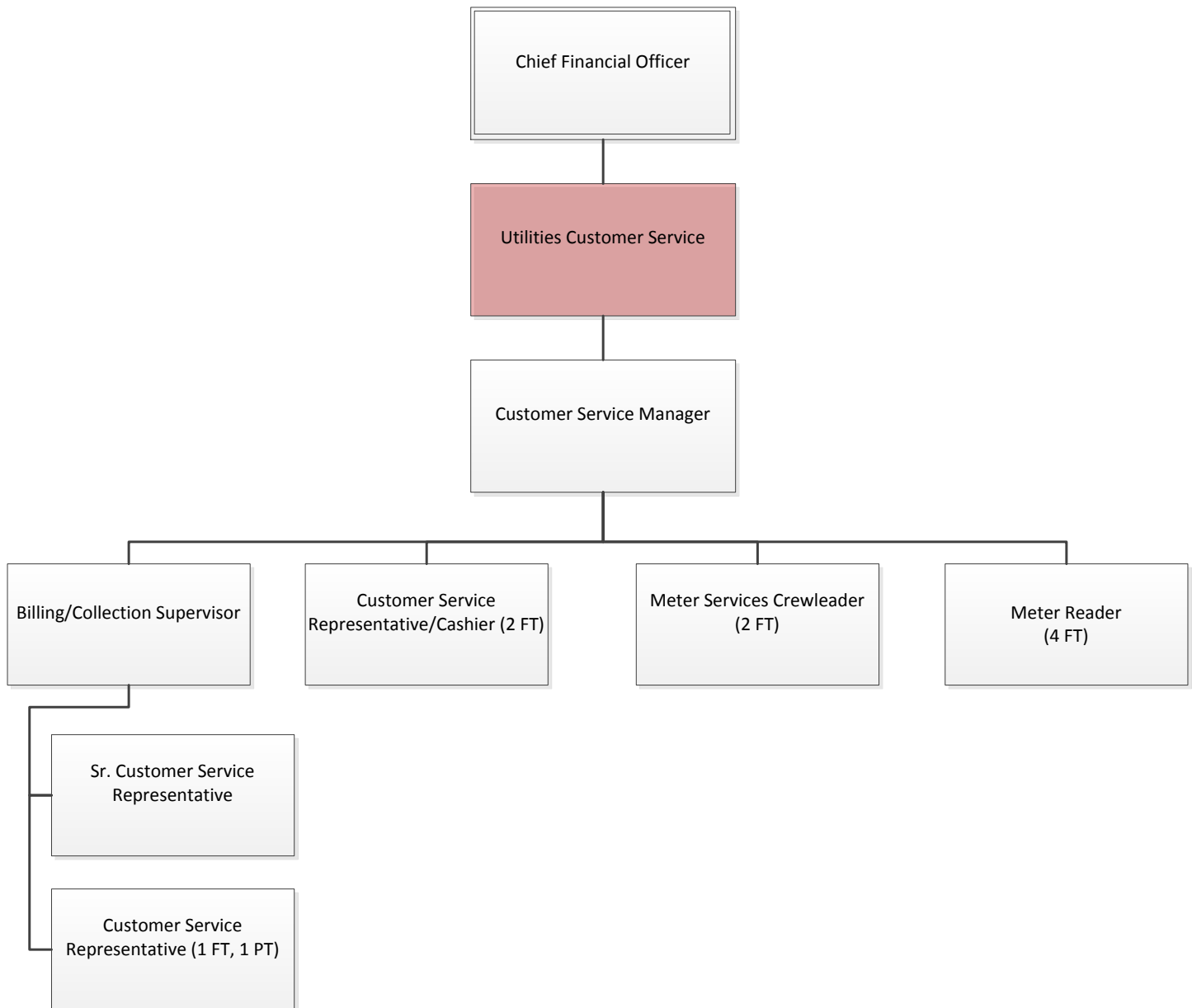






## Finance — Customer Service

The Customer Service Division of the Finance Department is responsible for the reading and billing of approximately 24,800 electric and water meters and timely and accurate billing of 14,635 accounts each month. Of the utility accounts billed, approximately 1,400 each month require some degree of collection action. The Customer Service Division issues approximately 12,500 work orders annually, not only for customer requested services (connects, disconnects, transfers, etc.), but repair/replacement of electric and water meters, water and sewer taps.





## Customer Service (205)

### Major Division Goals:

1. We will work as a team to establish and maintain a positive relationship with our customers through communication, resourcefulness and dedication.
2. To prepare and mail correct and concise utility bills to all of our customers.
3. Complete Customer Service Policy and Procedure Manual.

### FY13 Objectives:

1. Continue to seek opportunities to automate meter reading process.
2. Review and update new Customer Service Policy and Procedure Manual as needed.

### FY 12 Accomplishments:

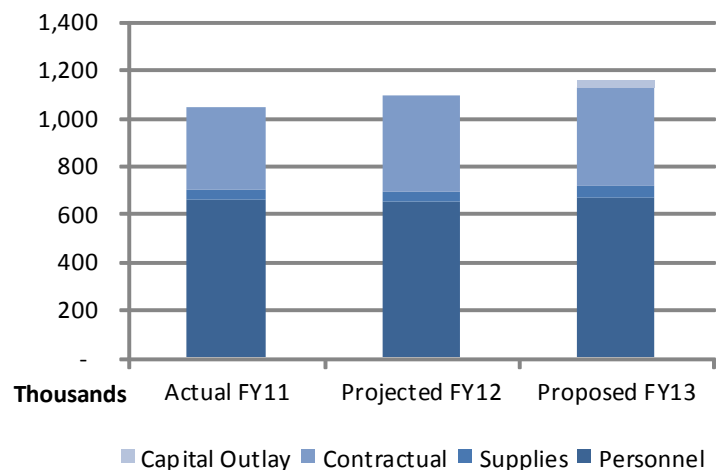
1. Continue to provide exceptional customer service to the citizens of the City of Weatherford, while billing and collecting for services we provide in an accurate and efficient manner.
2. Continue cross training employees in an effort to increase teamwork and productivity.

### Expenditure Summary (\$)

	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	660,186	646,476	646,236	668,341
Supplies	38,056	45,013	42,617	45,063
Contractual	341,549	409,660	400,296	409,206
Capital Outlay	-	-	-	34,190
<b>Total</b>	<b>1,039,791</b>	<b>1,101,149</b>	<b>1,089,149</b>	<b>1,156,800</b>

### Significant Budget Changes:

In FY13, the Customer Service budget has been increased for the one-time purchase of two meter-reader trucks. In addition, there is an ongoing increase for an additional part-time Customer Services Representative and to reclassify an existing Senior Customer Service Representative to accommodate an increase in workload for the position.



<b>Personnel Schedule (FTE)</b>					
		Actual	Approved	Projected	Proposed
Positions	Classification	FY11	FY12	FY12	FY13
Customer Service Manager	24	1.00	1.00	1.00	1.00
Billing/Collections Supervisor	18	1.00	1.00	1.00	1.00
Meter Services Crew Leader	14	2.00	2.00	2.00	2.00
Sr. Customer Service Rep	9	-	-	-	1.00
Customer Service Rep	9	5.00	4.00	4.00	3.00
P/T Customer Service Rep	9	-	-	-	.50
Meter Reader	8	4.00	3.00	4.00	4.00
Meter Reader - Temp	8	-	1.00	-	-
<b>Total</b>		<b>13.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.50</b>

## Finance Customer Service (205 — Cont'd)

Performance Measures					
		Strategic Plan	FY11	FY12	FY13
Input					
1	Average Number of Electric Accounts	N/A	14,140	14,303	14,442
2	Average Number of Water Accounts	N/A	10,566	10,677	10,771
3	Average Number of Wastewater Accounts	N/A	9,743	9,818	9,882
4	Average Number of Recycling Accounts	6.2	1,075	1,084	1,104
5	Number of Work Orders	1.2	9,153	9,272	9,300
Output					
1	New Account Set-Ups (#)	1.2	193	185	190
2	kWh Billed (#)	1	381,826,440	370,756,732	374,464,299
3	Cubic Feet Billed (#)	1	183,635,011	164,704,418	166,351,470
4	Number of Delinquent Notices Mailed	3.1	53,658	53,828	53,997
5	Number of Delinquent Cut-Offs	5.5	1,441	1,464	1,458
Efficiency					
1	Delinquent Cut-Offs per Notice Mailed (#)	3.1	0.0269	0.0272	0.027
2	M&O Budget per Account Average (\$)	3.1	29.27	30.69	30.41









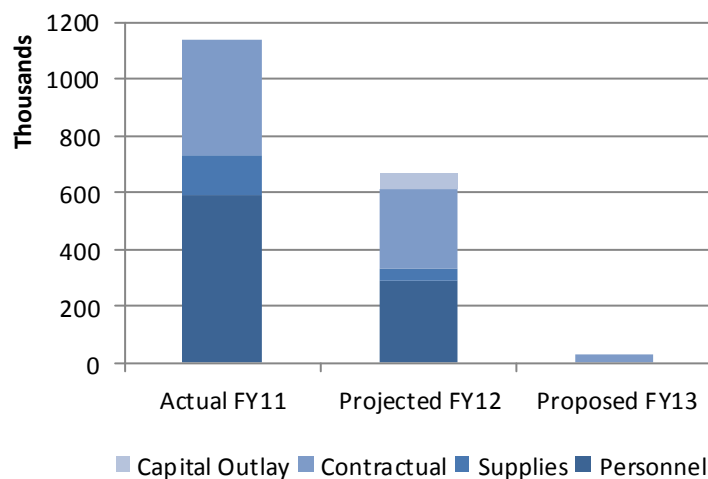


## Information Technology (423)

In FY13, the Information Technology budget and operations have been transferred to the City's General Fund. Please reference the General Fund Budget for information about this department. The Utilities Fund has budgeted a large transfer to the General Fund to cover its share of the Information Technology expenses. Please see Water, Wastewater, and Electric Non Departmental pages.

### Expenditure Summary (\$)

Category	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Personnel	591,217	311,708	289,491	-
Supplies	143,756	44,580	42,267	-
Contractual	406,734	228,766	284,964	27,873
Capital Outlay	-	51,841	51,712	-
Total	1,141,706	636,895	668,434	-

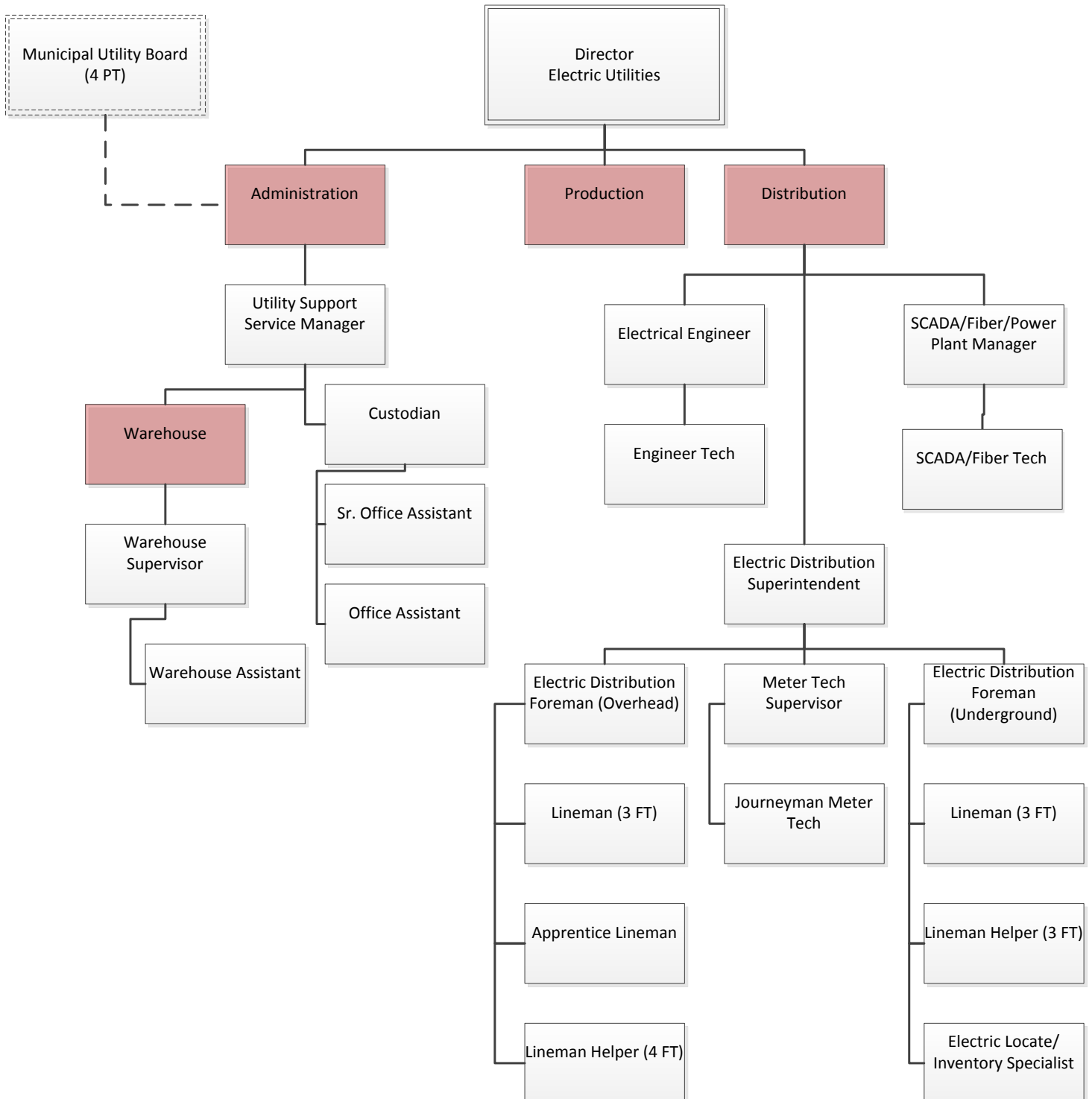


Note: FY11 represents the last year that the Information Technology (IT) Department was fully funded out of the Utilities Fund. In FY12, the department was split between the General Fund and the Utilities Fund, with 50% of the budget residing in each fund. The remaining Utility Fund IT expenses are for two Dell computer leases. As those leases expire in the coming years, all IT expenses will be moved to the General Fund.



## Electric Utility

Weatherford Electric is a municipal electric provider for the City of Weatherford. It manages the distribution and production of electricity, as well as the maintenance of all electric assets owned by the utility. Operating divisions include Administration, Distribution, Production, and Warehouse. It is administered by the Director of Electric Utilities, and overseen by the Weatherford Municipal Utility Board.



# Electric Administration (422)

Electric Administration is responsible for the overall management and administration of water and wastewater treatment plants, water distribution and wastewater collection system, electric distribution and power generation, and other ancillary services.

**Major Division Goals:**

- 1. Ensure that utility service meets and exceeds customers expectations.
- 2. Provide quality service at a reasonable price.
- 3. Adequately plan for the future to ensure that the system is in place to serve all customers.

**FY12 Accomplishments:**

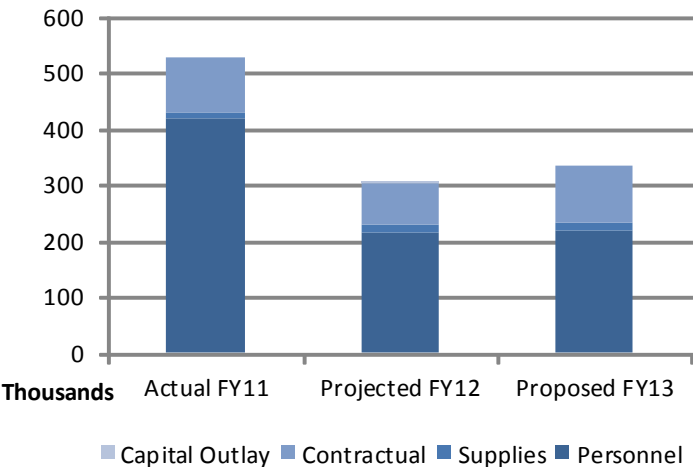
- 1. Updated cost of service study.

**FY13 Objectives:**

- 1. Continue to provide quality service in a timely manner to our citizens and staff.

**Significant Budget Changes:**

In FY13, the Electric Administration Division will make a one-time expense of \$25,000 to convert its data into CityWorks software.



Expenditure Summary (\$)				
	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	419,284	223,450	214,086	217,964
Supplies	10,825	16,000	15,676	16,000
Contractual	96,156	79,960	74,192	100,960
Capital Outlay	-	-	1,971	-
Total	526,266	319,410	305,924	334,924



<b>Personnel Schedule (FTE)</b>					
Positions	Classification	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Utility Board Member (PT)	UC	2.00	2.00	2.00	2.00
*Assistant City Manager	40	1.00	-	-	-
Utility Support Service Mgr	18	1.00	1.00	1.00	1.00
Sr Office Assistant	9	1.00	1.00	1.00	1.00
Office Assistant	7	1.00	1.00	1.00	1.00
Custodian	6	1.00	1.00	1.00	1.00
<b>Total</b>		<b>7.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>

\*Assistant City Manager position has been moved into the General Fund.

<b>Performance Measures</b>			
	FY11	FY12	FY13
Input			
Customer Contact (#)			New
Output			
Work Orders Issued (#)	15,400	15,400	15,400

## Electric Distribution (424)

The function of the Electric Distribution Division is to provide electricity to residential, commercial, and industrial customers. The Electric Distribution Division is charged with constructing, operating, and maintaining the electric system to ensure that its customers are provided the highest quality service at the most economical cost.

### Major Division Goals:

1. Provide electricity at the most economical cost to our customers.
2. Provide reliable electric service with minimal outages.
3. Construct all new infrastructure and maintain existing infrastructure according to industry standards to ensure the long-term reliability of the electric system.

### FY12 Accomplishments:

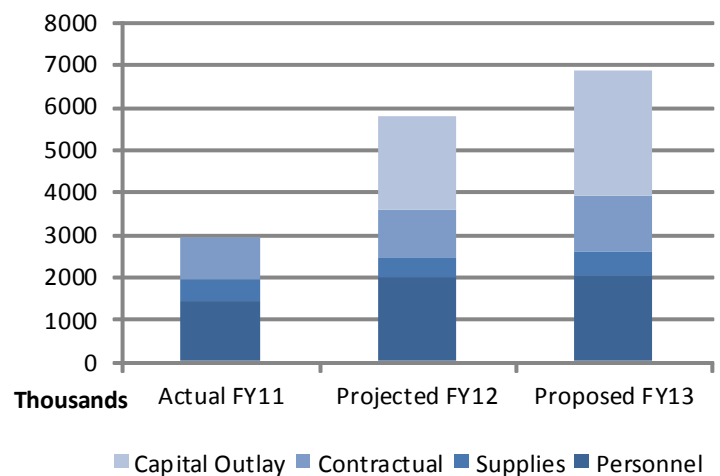
1. Completed new wholesale power supply agreements.
2. Completed one-mile upgrade to an overhead main powerline on West Lake Drive.
3. Complete an additional one-mile upgrade to an overhead main powerline on Santa Fe Drive.

### FY13 Objectives:

1. Begin installation of an Advanced Metering System.
2. Begin site work at new substation property.
3. Install electric infrastructure on the new western loop.

### Significant Budget Changes:

To better manage consistent capital expenses, the Electric Distribution Division is adding \$350,000 in its ongoing budget for vehicle replacements and substation improvements. In addition, large one-time expenses for FY13 include the West Substation site engineering, grade, and fence installation (\$300,000), software purchases (\$122,500), large equipment purchases (\$360,000), and the Automated Metering Infrastructure pilot program (\$130,250) which, pending evaluation, could be expanded in future years.



Expenditure Summary (\$)				
	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	1,429,229	2,002,409	1,971,609	2,011,635
Supplies	496,814	441,500	456,227	548,000
Contractual	992,357	1,153,200	1,148,278	1,319,400
Capital Outlay	-	2,211,500	2,189,367	2,963,250
<b>Total</b>	<b>2,918,400</b>	<b>5,808,609</b>	<b>5,765,480</b>	<b>6,842,285</b>

Personnel Schedule (FTE)					
Positions	Classification	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
Director, Electric Utilities	38	1.00	1.00	1.00	1.00
Electrical Engineer	29	1.00	1.00	1.00	1.00
Distribution Superinten- dent	23	1.00	1.00	1.00	1.00
Distribution Foreman	22	2.00	2.00	2.00	2.00
Meter Technician Super- visor	22	1.00	1.00	1.00	1.00
SCADA/Fiber/Power Plant Mgr	22	1.00	1.00	1.00	1.00
Lineman	21	6.00	6.00	6.00	6.00
Journeyman/Meter Tech- nician	21	1.00	1.00	1.00	1.00
Lineman "B"	19	2.00	2.00	2.00	-
Engineer Tech	18	-	-	-	1.00
Electric Locate/Inventory Spc	15	1.00	1.00	1.00	1.00
Apprentice Lineman	11	1.00	1.00	1.00	1.00
SCADA/Fiber/Power Plant Tech	11	1.00	1.00	1.00	1.00
Lineman Helper I	10	2.00	2.00	2.00	2.00
Lineman Helper Trainee	8	3.00	3.00	3.00	5.00
Total		24.00	24.00	24.00	25.00

## Electric Distribution (424—cont'd)

Performance Measures		FY11	FY12	FY13
Input				
	Electric System Peak (Summer)	83.6 MW	89.7 MW	93.3 MW
	Electric System Peak	77.8 MW	90.3 MW	96.7 MW
Output				
	Power Purchased	357,185 MWh	384,428 MWh	399,862 MWh
	Total Electric Customers (#)	13,297	13,362	13,560
Efficiency				
	System Electrical Losses	4.11%	4.79%	4.82%
	System Electrical Losses (\$)	1,446,269	1,215,615	1,042,085
	System Load Factor (#)	0.49	0.49	0.47
Effectiveness				
	Average Monthly Residential Rate	13.3 ¢/kWh	10.5 ¢/kWh	9.2 ¢/kWh
	Average Customer Outage Time (minutes)	65	109	109
	Average System Outage (minutes)	32	25	23







# Electric Warehouse (426)

The Weatherford Municipal Warehouse maintains utility and General Fund inventories of materials and supplies. It requisitions, obtains quotes, issues purchase orders, and receives, stores, and transfers to all departments specific quantities as required. The warehouse and personnel are under the supervision of the Director of Electric Utilities.

**Major Division Goals:**

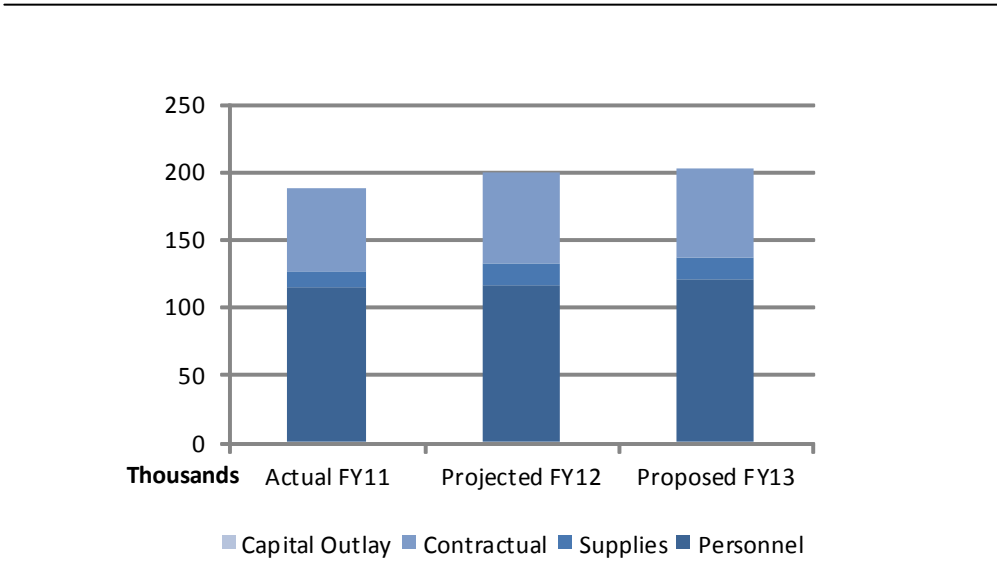
- 1. Ensure the warehouse is stocked to meet customers' demands.
- 2. Ensure that facility and grounds are organized and well maintained.

**FY12 Accomplishments:**

- 1. Purchased material in a timely manner.
- 2. Cleaned and reorganized inventory inside warehouse and in pole yard.
- 3. Ensured material is good quality and cost effective.

**FY13 Objectives:**

- 1. Clean, rearrange, and update all inventory inside warehouse and in pole yard.



Expenditure Summary (\$)				
	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	113,791	118,234	115,712	120,007
Supplies	12,681	16,350	16,615	16,350
Contractual	60,488	69,443	66,620	66,543
Capital Outlay	-	-	-	-
Total	186,960	204,027	198,948	202,900

<b>Personnel Schedule (FTE)</b>					
Positions	Classification	Actual	Approved	Projected	Proposed
		FY11	FY12	FY12	FY13
Warehouse Supervisor	16	1.00	1.00	1.00	1.00
Warehouse Assistant	7	1.00	1.00	1.00	1.00
Total		2.00	2.00	2.00	2.00

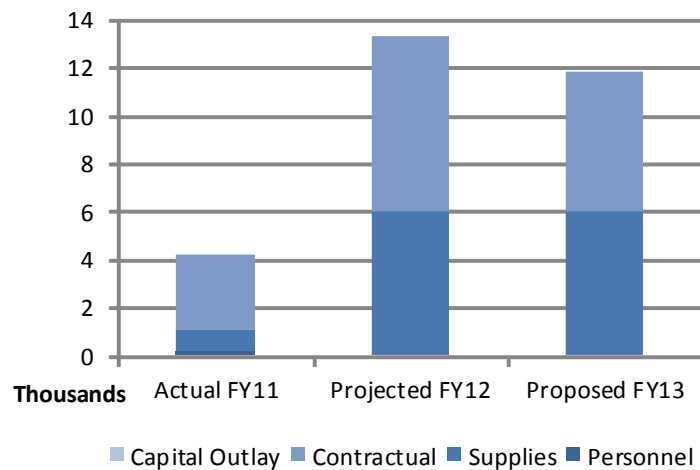
## Electric Production (425)

The Electric Production Plant is maintained and operated for the purpose of generating electricity.

### Major Division Goals:

1. Generate Electricity for peak shaving.

<b>Expenditure Summary (\$)</b>				
	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	166	-	-	-
Supplies	906	6,000	6,000	6,000
Contractual	3,107	7,300	7,300	5,850
Capital Outlay	-	-	-	-
<b>Total</b>	<b>4,180</b>	<b>13,300</b>	<b>13,300</b>	<b>11,850</b>

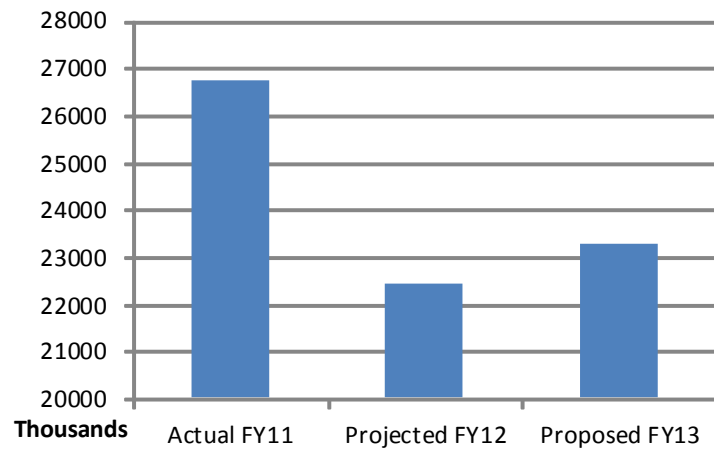


## Electric Non Departmental (902)

Electric Non Departmental includes Purchase Power costs, transfers, and other general expenses for the Electric Utility.

<b>Expenditure Summary (\$)</b>				
	Actual	Approved	Projected	Proposed
Category	FY11	FY12	FY12	FY13
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	26,750,580	35,217,945	22,343,208	23,198,013
Capital Outlay	-	-	-	-
<b>Total</b>	<b>26,750,580</b>	<b>35,217,945</b>	<b>22,343,208</b>	<b>23,198,013</b>

The most significant change in budget for Electric Non Departmental is in the administrative services transfer to the General Fund. Because the Information Technology Department is now located in the General Fund, Electric Non Departmental will be transferring an additional \$233,522 to the General Fund.







## **Capital Improvement Program**

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The City of Weatherford is growing and developing more each year. In order to strategically plan for large-scale improvements to the utility system to accommodate that growth, staff has compiled a capital improvement program (CIP). This CIP represents a five-year fiscal plan that prioritizes and schedules all utility projects. While these types of projects are typically financed through revenue bonds, they can also be funded through annual service charges and impact fees. The CIP considers the appropriate timing of the construction of projects, the utility's ability to facilitate the construction, financial constraints in repaying indebtedness, and the increased cost of operation and maintenance.



# Capital Improvement Program

In March of 2012, the Municipal Utility consulted with Freese and Nichols, Inc. regarding a master plan for the city's water utility infrastructure. Part of what came out was a five-year capital improvement program (CIP). It is important to note that while the projects listed below initially represent a one-time capital expense, they will eventually succumb to the same wear and tear that all system assets are subject to. This will result in an increased annual repair cost. For a summary of current system asset repair costs, please see the Budget Process & Methodology section of this document. Because of the scope of the CIP, it is important to think of it as a working plan that is subject to change.

## Five-Year Water/Wastewater Utilities Capital Improvement Plan (Through 2016)

Project	Year Needed	Type	Impact Fee Funding Eligible?	Projected Cost
Water/Wastewater to Serve Southern Annexation	2013	Growth	Yes	2,500,000
16" Waterline along I-20 in Dubellette Pressure Plane	2013	Growth	No	864,470
12" Waterline along I-20 in Dubellette Pressure Plane	2013	Growth	No	855,330
12" Waterline and PRV in Miller Pressure Plane	2014	Growth	No	927,900
16" Waterline along BB Fielder Blvd in Dubellette Pressure Plane	2014	Growth	No	1,751,510
16" Waterline along Bethel Rd in Dubellette Pressure Plane	2014	Growth	No	1,315,980
16" and 12" Waterline and PRV in Dubellette Pressure Plane	2014	Growth	No	1,810,100
Western Annexation Waterlines	2014	Growth	Yes	2,500,000
Water/Wastewater to Serve Western Loop	2015	Growth	Yes	2,500,000
Dacey Road Sewer Extension	2015	Growth	Yes	2,000,000
24" and 12" Waterline Weatherford Loop Franklin Pressure Plane	2015	Growth	No	1,669,250
12" and 8" Waterline in Oak Ridge Pressure Plane	2015	Growth	No	477,930
10 MGD Pump Station and 6 MGD GST	2016	Growth	No	6,070,850
30" Supply Line from New Ward St Pump Station	2016	Growth	No	2,493,120
12" Supply Line from Ward St Pump Station	2016	Growth	No	1,437,550
12" Waterline in East Pressure Plane	2016	Growth	No	552,120
16" and 12" Waterline in East Pressure Plane	2016	Growth	No	1,249,920
Wetland Pipeline and Pump Station	2016	Growth	No	11,000,000
Growth Projects Subtotal				41,976,030

## Five-Year Water/Wastewater Utilities Capital Improvement Plan (Through 2016)

Project	Year Needed	Type	Impact Fee Funding Eligible?	Projected Cost
Water Misc. Renewals/Replacements	2013-2016	Replacement	No	3,400,000
Wastewater Misc. Renewals/Replacements	2013-2016	Replacement	No	3,300,000
WWTP Rehab	2016	Replacement	No	2,500,000
30" Supply to Dubellette GST	2016	Replacement	No	1,733,760
Replacement Projects Subtotal				10,933,760
Total Projects Cost				52,909,790



## Recent Project Activity

The project summary shown below details funding sources and expenses through FY12. All of these projects are related to growth and annexation within the City of Weatherford. Funding was available from excess 1999 and 2006 Revenue Bonds.

Recent Projects							
	Lift Station # 6	Parallel Treated Water Line	SH 51 12" Water Line	Western Loop Water Line	12" Water Line along Tin Top (I-20 & BB Fielder)	Total	
Funding Sources	2006 Revenue Bonds	670,713	6,386,529	170,134	90,745	38,433	7,356,553
	2006 Bond Interest	7,192	205,936	1,434	1,532	-	216,094
	1999 Revenue Bonds	-	16,760	-	-	-	16,760
	1999 Bond Interest	-	204	-	-	-	204
	<b>Grand Total</b>	<b>677,906</b>	<b>6,609,429</b>	<b>171,568</b>	<b>92,277</b>	<b>38,433</b>	<b>7,589,611</b>
Expenses	Through FY11	276,821	6,607,647	60,333	64,436	-	7,009,236
	FY12 Total	401,084	1,782	111,235	27,841	38,433	580,375
	<b>Grand Total</b>	<b>677,906</b>	<b>6,609,429</b>	<b>171,568</b>	<b>92,277</b>	<b>38,433</b>	<b>7,589,611</b>

# Water/Wastewater Impact Fee Funds

The Weatherford Municipal Utility receives impact fee revenue annually, which are placed in two special revenue funds. Any balance in these funds is available for use on select capital projects. For more information, please see the CIP summary.

## Water Impact Fund (40)

	Actual FY10	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
<b>Beginning Fund Balance</b>	<b>1,808,689</b>	<b>2,038,085</b>	<b>2,384,523</b>	<b>2,384,523</b>	<b>2,660,392</b>
<u>Revenues</u>					
Interest Income	3,410	2,969	4,000	2,952	-
Impact Fees	225,986	343,469	200,000	272,918	-
<b>Total Revenues</b>	<b>229,396</b>	<b>346,438</b>	<b>204,000</b>	<b>275,870</b>	<b>-</b>
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Over/(Under)	229,396	346,438	204,000	275,870	-
<b>Ending Fund Balance</b>	<b>2,038,085</b>	<b>2,384,523</b>	<b>2,588,523</b>	<b>2,660,392</b>	<b>2,660,392</b>

## Wastewater Impact Fund (41)

	Actual FY10	Actual FY11	Approved FY12	Projected FY12	Proposed FY13
<b>Beginning Fund Balance</b>	<b>1,014,582</b>	<b>1,187,351</b>	<b>1,482,092</b>	<b>1,482,092</b>	<b>1,721,348</b>
<u>Revenues</u>					
Interest Income	1,934	1,682	2,000	1,878	-
Impact Fees	170,835	293,060	100,000	237,378	-
<b>Total Revenues</b>	<b>172,769</b>	<b>294,742</b>	<b>102,000</b>	<b>239,256</b>	<b>-</b>
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Over/(Under)	172,769	294,742	102,000	239,256	-
<b>Ending Fund Balance</b>	<b>1,187,351</b>	<b>1,482,092</b>	<b>1,584,092</b>	<b>1,721,348</b>	<b>1,721,348</b>

# Appendices

### Utility Debt Summary

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The Municipal Utility currently maintains 207 miles of sanitary sewer, 272 miles of water mains, and 326 miles of electric distribution lines. This widespread infrastructure network depreciates over time, and must be repaired and replaced when necessary. While routine repairs are budgeted on an annual basis, large-scale improvements carry a much higher price tag, and it is not possible for the Municipal Utility to pay for those through the operating fund. For these expenses, the fund will issue revenue bonds.

Bonds are a debt-financing instrument whereby the principle of the bonds are amortized over a period of time (typically 20 years), during which time interest is charged annually. For utility revenue bonds, the annual principle and interest payments are covered through Water, Wastewater, and Electric utility fees, which are set by the Municipal Utility Board. All principle and interest payments are made out of the Utility Debt Service Fund. Limitations on the amount of debt allowed to be outstanding at any one time for the utility are governed by the availability of service charge revenue. Each bond issue carries with it a legally binding coverage ratio, whereby the utility's net revenue must be able to meet a coverage requirement for its annual debt principle and interest payments before it can issue additional debt. The utility's coverage ratio for its outstanding debt is 1.25 times the average annual debt requirement, and 1.10 times the maximum annual requirement. A summary of the FY13 debt service fund can be found below, and a detailed summary of each bond issue still outstanding follows.

#### Utility Debt Service Summary (Fund 24)

Fund Balance 9/30/11 (\$)	836,562
Revenues Projected FY12 (\$)	4,744,888
Expenses Projected FY12 (\$)	4,743,638
Current Year-End Projection Fund Balance (\$)	837,812
Revenues Projected FY13 (\$)	4,740,395
Expenses Projected FY13 (\$)	4,737,036
Projected Year-End Fund Balance FY13 (\$)	841,171



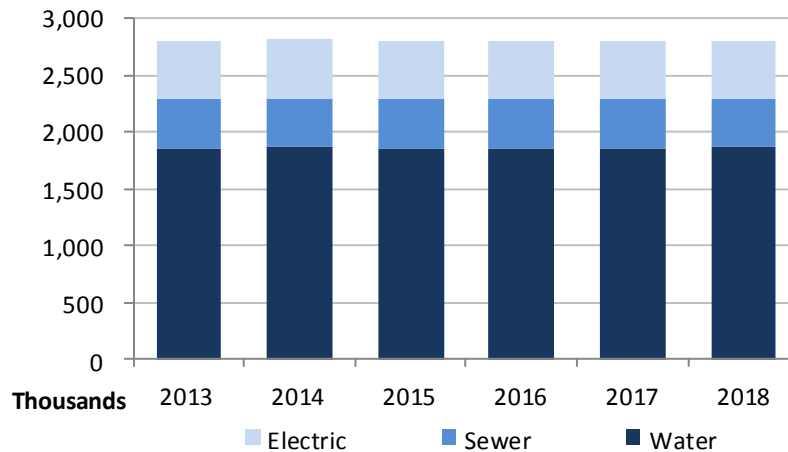
# Appendix A—Utility Debt Summary

## Utility System Revenue Refunding Bonds - Series 2005

### Future Debt Requirements (\$)

Year Ending	Principal	Interest	Interest	Total
09/30	Due 09/01	Due 03/01	Due 09/01	Requirement
2013	2,105,000	346,520	346,520	2,798,040
2014	2,220,000	293,895	293,895	2,807,790
2015	2,325,000	238,395	238,395	2,801,790
2016	2,440,000	180,270	180,270	2,800,540
2017	2,540,000	130,250	130,250	2,800,500
2018	2,670,000	66,750	66,750	2,803,500
<b>Total</b>	<b>14,300,000</b>	<b>1,256,080</b>	<b>1,256,080</b>	<b>16,812,160</b>

### Series 2005 Debt Service by Utility

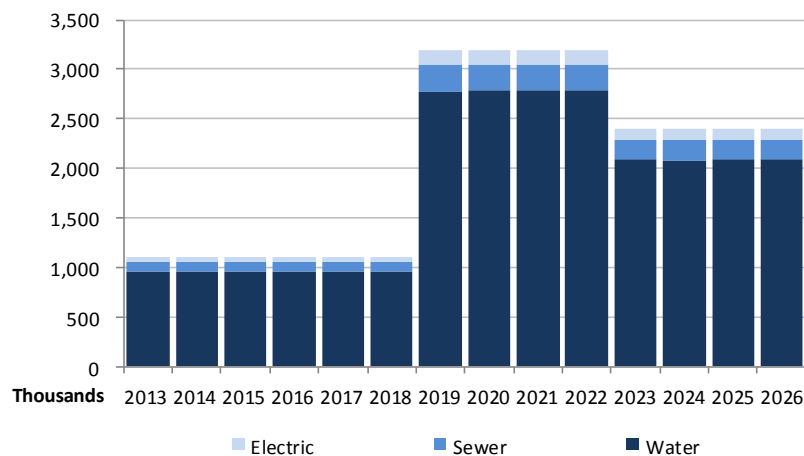


## Appendix A—Utility Debt Summary

### Utility System Revenue Bonds - Series 2006 Future Debt Requirements (\$)

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2013	145,000	480,151	480,151	1,105,301
2014	150,000	477,251	477,251	1,104,501
2015	155,000	474,176	474,176	1,103,351
2016	160,000	470,979	470,979	1,101,958
2017	170,000	467,619	467,619	1,105,238
2018	175,000	464,006	464,006	1,103,013
2019	2,275,000	460,156	460,156	3,195,313
2020	2,390,000	403,281	403,281	3,196,563
2021	2,510,000	343,531	343,531	3,197,063
2022	2,635,000	280,781	280,781	3,196,563
2023	1,970,000	214,906	214,906	2,399,813
2024	2,065,000	165,656	165,656	2,396,313
2025	2,170,000	114,031	114,031	2,398,063
2026	2,280,000	58,425	58,425	2,396,850
<b>Total</b>	<b>19,250,000</b>	<b>4,874,949</b>	<b>4,874,949</b>	<b>28,999,899</b>

### Series 2006 Debt Service by Utility



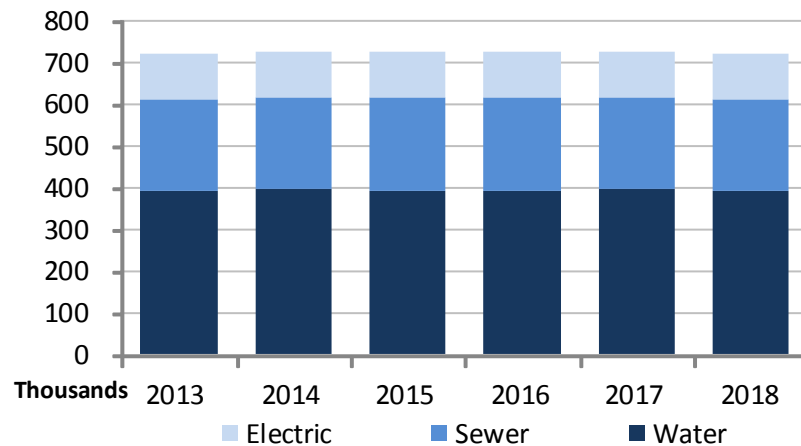
## Appendix A—Utility Debt Summary

### Utility System Revenue Refunding Bonds - Series 2008

#### Future Debt Requirements (\$)

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2013	590,000	67,038	67,038	724,075
2014	615,000	56,831	56,831	728,661
2015	635,000	46,191	46,191	727,382
2016	655,000	35,206	35,206	725,411
2017	680,000	23,874	23,874	727,748
2018	700,000	12,110	12,110	724,220
<b>Total</b>	<b>3,875,000</b>	<b>241,249</b>	<b>241,249</b>	<b>4,357,497</b>

#### Series 2008 Debt Service by Utility



## Appendix A—Utility Debt Summary

### Utility Tax Notes - Series 2009 Future Debt Requirements (\$)

<b>Year Ending 09/30</b>	<b>Principal Due 09/01</b>	<b>Interest Due 03/01</b>	<b>Interest Due 09/01</b>	<b>Total Requirement</b>
2013	100,000	5,717	3,902	109,620
2014	105,000	3,902	1,997	110,899
2015	110,000	1,997	-	111,997
<b>Total</b>	<b>315,000</b>	<b>11,616</b>	<b>5,899</b>	<b>332,515</b>

\*Note: Series 2009 tax notes are supported wholly by the Electric Utility System.

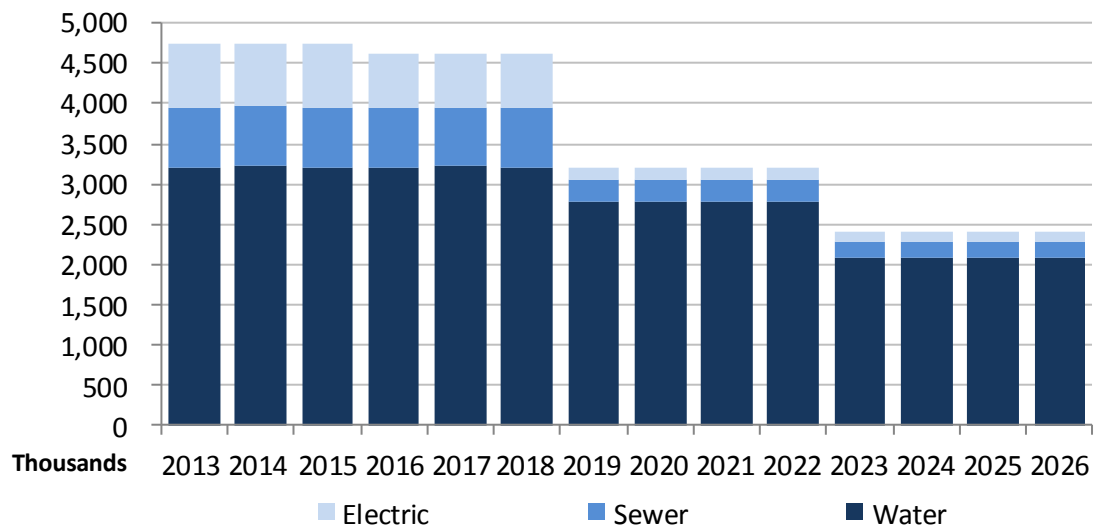


## Appendix A—Utility Debt Summary

### Utility System Revenue Bonds Future Debt Requirements (\$)

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2013	2,940,000	899,425	897,610	4,737,036
2014	3,090,000	831,878	829,973	4,751,851
2015	3,225,000	760,758	758,762	4,744,520
2016	3,255,000	686,454	686,454	4,627,909
2017	3,390,000	621,743	621,743	4,633,486
2018	3,545,000	542,866	542,866	4,630,733
2019	2,275,000	460,156	460,156	3,195,313
2020	2,390,000	403,281	403,281	3,196,563
2021	2,510,000	343,531	343,531	3,197,063
2022	2,635,000	280,781	280,781	3,196,563
2023	1,970,000	214,906	214,906	2,399,813
2024	2,065,000	165,656	165,656	2,396,313
2025	2,170,000	114,031	114,031	2,398,063
2026	2,280,000	58,425	58,425	2,396,850
<b>Total</b>	<b>37,740,000</b>	<b>6,383,894</b>	<b>6,378,177</b>	<b>50,502,071</b>

### Total Debt Service by Utility



# Decision Packages

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Each year, departments are asked to identify areas of critical need and submit requests, or decision packages, for additional funding to address those needs. In FY13, departments began the budget process with a target budget equal to their FY12 adopted budget minus all one-time expenses. They were asked to prioritize expenses within that total to address needs in current operations. For needs beyond the capacity of their existing budget, they were asked to submit one of the following types of supplemental requests:

**Cost of Service Increases (COSI)** - For additional funds related to the increased cost of providing existing services.

**New/Expanded Programs (NEP)** - For additional funds related to a program or service not currently being provided, or an expansion of an existing program.

**Vehicle/Equipment Replacement (VER)** - For additional funds related to the replacement or purchase of a new vehicle or piece of heavy equipment.

Departments were further asked to prioritize these requests based on their greatest areas of need. What follows is a summary of all decision packages including the department, name, rank, strategic goal, type, positions to be added, original requested cost, and whether it was recommended for funding. Decision packages are recommended for funding based on Utility Board and staff priorities and available funding. In some cases, the requests were funded at a different amount than originally requested.

## Appendix B—Decision Packages by Department

		Strategic Plan	Positions	Ongoing Costs (\$)	One Time Costs (\$)	Funded?
<b>Electric Department</b>						
1	NEP - Employee Reorganization	2.2	0	-	-	Yes
2	NEP - Milsoft Software	5.5	0	-	122,500	Yes
3.1	NEP - AMI - Electric Only	1.2	0	-	2,463,375	No
3.2	NEP - AMI - Electric Only less MDMS	1.2	0	-	1,963,375	No
3.3	NEP - AMI - 5-Year Phase-In	1.2	0	337,742	274,667	No
3.4	NEP - AMI - Communications Infrastructure Only	1.2	0	-	274,667	No
4	NEP - Mobile Workforce	5.5	0	600	5,000	Yes
5	VER - Vacuum Excavator	5.5	0	-	110,000	Yes
6	VER - Pressure Digger Chasis	5.5	0	-	100,000	Yes
7	NEP - City Works Software	1.2	0	-	25,000	Yes
8	NEP - Substation Security	5.5	0	20,000	-	Yes
9	VER - Flatbed	5.5	0	-	40,000	Yes
10	NEP - Bucket Truck Rental	5.5	0	30,000	-	Yes
11	VER - Backhoe	5.5	0	-	110,000	Yes
12	NEP - Hydraulic Tool Equipment	5.5	0	-	13,000	Yes
13	NEP - West Substation	4.2	0	-	300,000	Yes
14	NEP - Vehicle Capital Account	5.3	0	100,000	-	Yes
15	NEP - Substation Capital Account	5.3	0	250,000	-	Yes
16	NEP - Infrared Camera	5.5	0	-	26,000	Yes
17	NEP - Underground Cable Fault Locater	5.5	0	-	30,000	Yes
<b>Total Funded</b>			-	<b>400,600</b>	<b>881,500</b>	
<b>Finance Department (Customer Service)</b>						
1	VER - Truck to replace 1994 Crown Vic	5.5	0	-	16,995	Yes
2	NEP - Senior Customer Service Representative	2.2	0	3,479	-	Yes
3	VER - Truck to replace 2003 GMC Sierra	5.5	0	-	16,995	Yes
4	NEP - Part Time Customer Service Representative	1.3	1	13,762	-	Yes
<b>Total Funded</b>			<b>1</b>	<b>17,241</b>	<b>33,990</b>	

## Appendix B—Decision Packages by Department

	Strategic		Ongoing	One Time	
	Plan	Positions	Costs (\$)	Costs (\$)	Funded?
<b>Water/Wastewater</b>					
1 NEP - TCEQ Permitting	6.2	0	-	125,000	Yes
2 NEP - Recoating of Tridents	1.2	0	-	220,000	Yes
3 COSI - Chemicals	5.5	0	14,000	-	Yes
4 COSI - Gas Detector	5.4	0	2,800	-	No
5 COSI - Gas Detector	5.4	0	2,800	-	No
6 COSI - Descaling Water Plant Transmision Lines	1.2	0	-	69,000	Yes
7 COSI - Heater for Membrane CIP Solution	1.2	0	-	6,865	Yes
8 NEP - Benbrook Automation	1.2	0	135,000	-	Yes
9 NEP - Pumps for lift station 17	5.5	0	-	81,500	Yes
10 NEP - Safety Buoys for the Lake	6.1	0	-	8,200	Yes
11 COSI - Sanitary sewer increase	5.5	0	15,000	-	Yes
12 NEP - 475 Field Communicator with Heat Protocol	1.2	0	-	4,900	Yes
13 COSI - Lot Rental	5.5	0	5,000	-	Yes
14 COSI - Water Meters	1.2	0	34,000	-	Yes
15 NEP - Maintenance Worker addition	1.2	1	46,270	-	Yes
16 VER - Truck replacement 2356	5.5	0	-	35,225	Yes
17 NEP - Drought Educational Handouts	1.2	0	-	10,000	No
18 COSI - Chemical Dosing Pumps	1.2	0	-	26,264	Yes
19 NEP - Variable Speed Drives	5.5	0	-	14,888	Yes
20 NEP - Valve & hydrant crew addition	1.2	2	107,131	16,600	No
21 VER - Camera Van	5.5	0	-	33,210	No
22 NEP - Water Purification Plant Master Plan	1.2	0	-	125,000	Yes
23 COSI - Pressure recorder	1.2	0	1,000	-	Yes
24 COSI - Electrical Testing	1.2	0	4,000	-	Yes
25 NEP - Lift Station radar	1.3	0	-	19,200	Yes
26 NEP - Probes	5.5	0	-	1,213	Yes
27 COSI - On-Line Monitoring Equip.	1.2	0	-	14,214	Yes
28 NEP - Oxyden Probe-ORP	5.5	0	-	9,610	Yes
29 NEP - pH Probe	5.5	0	-	2,799	Yes
30 NEP - Wastewater flow meters	1.2	0	-	12,000	Yes



## Appendix B—Decision Packages by Department

	Strategic Plan	Positions	Ongoing Costs (\$)	One Time Costs (\$)	Funded?
<b>Water/Wastewater (cont.)</b>					
31 NEP - Harberger Fence	6.1	0	-	15,940	No
32 NEP - Water / Fiber communication	1.3	0	-	16,000	Yes
33 COSI - Uniforms	2.4	0	900	-	Yes
34 COSI - Uniforms	2.4	0	2,400	-	Yes
35 COSI - Uniforms	2.4	0	750	-	Yes
36 COSI - Uniforms	2.1	0	750	-	Yes
37 COSI - Safety equipment	2.4	0	600	-	Yes
38 COSI - Safety equipment	2.4	0	1,600	-	Yes
39 COSI - Safety equipment	2.4	0	500	-	Yes
40 COSI - Safety equipment	2.1	0	500	-	Yes
<b>Total Funded</b>		<b>1</b>	<b>262,270</b>	<b>791,878</b>	
<b>Total Funded Decision Packages</b>		<b>2</b>	<b>680,111</b>	<b>1,707,368</b>	

## Transfer Calculations

### Return on Investment Transfer Calculations

	<b>Est Volume</b>	<b>Unit Rate</b>	<b>Transfer</b>
Electric kWh Sales	374,464,299	0.0056	2,097,000
Water Sales (1,000 gallons)	1,244,309	0.2469	307,220
Wastewater Treated (1,000 gallons)	841,724	0.2716	228,612

### Gross Receipts Charge Transfer Calculations

	<b>Est Volume</b>	<b>Unit Rate</b>	<b>Transfer</b>
Electric kWh Sales	374,464,299	0.0044	1,647,643
Water Sales (1,000 gallons)	1,244,309	0.2223	276,610
Wastewater Treated (1,000 gallons)	841,724	0.1975	166,240

### Gross Receipts Charge Transfer Calculations

	<b>Est Volume</b>	<b>Unit Rate</b>	<b>Transfer</b>
Commercial/Industrial Water (cu ft)	2,000,000	0.01	20,000

### Gross Receipts Charge Transfer Calculations

<b>Department</b>	<b>Proposed Budget</b>	<b>Percent Allocated</b>	<b>Amount Allocated</b>	<b>Transfer Allocation Based on System Revenues</b>		
				<b>Electric</b>	<b>Water</b>	<b>Wastewater</b>
Administration	691,278	45%	311,075	236,417	48,217	26,441
Human Resources	314,918	50%	157,459	119,669	24,406	13,384
Finance	474,286	50%	237,143	180,229	36,757	20,157
City Attorney	141,490	50%	70,745	53,766	10,965	6,013
Economic Development	219,500	50%	109,750	83,410	17,011	9,329
City Hall (3,628 ft)	(65,304)	100%	(65,304)	(49,631)	(10,122)	(5,551)
Graduate Engineer	(96,290)	50%	(48,145)	(36,590)	(7,462)	(4,092)
Lake Maintenance	280,000	100%	280,000	-	280,000	-
Audit Services	63,000	40%	25,200	19,152	3,906	2,142
<b>Total</b>	<b>2,022,878</b>		<b>1,077,923</b>	<b>606,422</b>	<b>403,678</b>	<b>67,823</b>

## Appendix C—Transfer Calculations

### Summary of All Transfers (\$)

Type	Actual FY10	Actual FY11	Projected FY12	Proposed FY13	Increase/ (Decrease)
Gross Receipts Fee	1,975,255	1,864,660	2,047,994	2,090,493	2,090,493
Return on Investment	2,464,257	2,383,964	2,576,479	2,632,832	2,632,832
Street Maintenance Transfer	20,000	20,000	20,000	20,000	20,000
Administrative Services	378,894	299,855	795,764	1,077,923	1,077,923
<b>Total</b>	<b>4,838,406</b>	<b>4,568,479</b>	<b>5,440,237</b>	<b>5,821,249</b>	<b>5,821,249</b>

## Rate Schedule

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On September 28, 2010, the Weatherford Municipal Utility Board unanimously passed a three-year rate adjustment schedule, designed to eliminate cross-subsidization among the three utilities. A summary of those rates, as well as their effective dates, is as follows:

### Water Rates

#### Residential

Available for residential domestic household and associated lawn/garden irrigation use at the customer's service address within the city's certificated service area. The Municipal Utility System of the City of Weatherford, shall charge, collect, or receive for water supplied to customers, the following monthly rates, to wit:

	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
5/8 to 1/2 inch meter	\$ 9.87	\$ 11.18	\$ 12.50
3/4 inch meter	\$ 11.95	\$ 15.35	\$ 18.75
1 inch meter	\$ 16.12	\$ 23.68	\$ 31.25
1 and 1/2 inch meter	\$ 26.53	\$ 44.52	\$ 62.50
2 inch meter	\$ 39.03	\$ 69.52	\$ 100.00
3 inch meter	\$ 78.62	\$ 148.68	\$ 218.75
4 inch meter	\$ 130.70	\$ 252.85	\$ 375.00
6 inch meter	\$ 266.12	\$ 523.68	\$ 781.25
8 inch meter	\$ 380.70	\$ 752.85	\$ 1,125.00

#### Volumetric Charge (per cubic foot)

##### Residential

0-1,000 CF	\$ 0.0294	\$ 0.0315	\$ 0.0337
1,001-3,500 CF	\$ 0.0366	\$ 0.0394	\$ 0.0421
3,500-5,000 CF	\$ 0.0461	\$ 0.0494	\$ 0.0527
> 5,000 CF	\$ 0.0565	\$ 0.0613	\$ 0.0660



## Appendix D—Rate Schedule

### Water Rates

#### Commercial

Available for commercial and landscape irrigation use at the customer's service address within the city's certificated service area. The Municipal Utility System of the City of Weatherford shall charge, collect, or receive for water supplied to customers, the following monthly rates, to wit:

	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
5/8 to 1/2 inch meter	\$ 12.43	\$ 12.47	\$ 12.50
3/4 inch meter	\$ 14.52	\$ 16.63	\$ 18.75
1 inch meter	\$ 18.68	\$ 24.97	\$ 31.25
1 and 1/2 inch meter	\$ 29.10	\$ 45.80	\$ 62.50
2 inch meter	\$ 41.60	\$ 70.80	\$ 100.00
3 inch meter	\$ 81.18	\$ 149.97	\$ 218.75
4 inch meter	\$ 133.27	\$ 254.13	\$ 375.00
6 inch meter	\$ 268.68	\$ 524.97	\$ 781.25
8 inch meter	\$ 383.27	\$ 754.13	\$ 1,125.00

#### Volumetric Charge (per cubic foot)

Commercial*	\$ 0.0317	\$ 0.0324	\$ 0.0337
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\*Available for water delivered and metered at the customer's service address, or any other authorized metering site located within the city's certificated service area, and transported by any method for use at a site other than the customer's service address.

Transported Water	\$ 0.0617	\$ 0.0624	\$ 0.0637
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#### Westridge and Southcrest Systems

That the city municipal utility system shall charge, collect, or receive for water supplied to the customers of the Westridge and Southcrest Residential Subdivisions, the following monthly rates, to wit:

	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
5/8 to 1/2 inch meter	\$ 9.87	\$ 11.18	\$ 12.50
3/4 inch meter	\$ 11.95	\$ 15.35	\$ 18.75
1 inch meter	\$ 16.12	\$ 23.68	\$ 31.25
1 and 1/2 inch meter	\$ 26.53	\$ 44.52	\$ 62.50
2 inch meter	\$ 39.03	\$ 69.52	\$ 100.00
3 inch meter	\$ 78.62	\$ 148.68	\$ 218.75
4 inch meter	\$ 130.70	\$ 252.85	\$ 375.00
6 inch meter	\$ 266.12	\$ 523.68	\$ 781.25
8 inch meter	\$ 380.70	\$ 752.85	\$ 1,125.00

## Appendix D—Rate Schedule

### Water Rates (continued)

#### Westridge and Southcrest Systems (continued)

Volumetric Charge (per cubic foot)	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Residential			
0-1,000 CF	\$ 0.0534	\$ 0.0315	\$ 0.0337
1,001-3,500 CF	\$ 0.0606	\$ 0.0394	\$ 0.0421
3,500-5,000 CF	\$ 0.0701	\$ 0.0494	\$ 0.0527
> 5,000 CF	\$ 0.0805	\$ 0.0613	\$ 0.0660
Commercial	\$ 0.557	\$ 0.0613	\$ 0.0660

#### Tarrant Regional Water District (TRWD) Pumping Rate

Consistent with the Utility Board Policy, Lake Weatherford will be supplemented with water from the Tarrant Regional Water District System when necessary. In the event that adequate revenue is not generated from the rate stabilization/reserve fund, an additional charge to cover raw water and pumping cost may be added to the existing rate during times that the TRWD water is utilized. The formula to recover this cost is as follows:

$$\frac{\text{TRWD Cost} + \text{TRWD Pumping Cost} \pm \text{Prior Month True Up}}{\text{Estimated Sales}}$$

Where:

TRWD Cost = Cost of Raw Water

TRWD Pumping Cost = Power Cost

Estimated Sales = Average water consumption for past 3 years, plus growth factor

Prior Month True-Up = Adjustment to account for over/under collection from prior months

The raw water and power costs will be calculated at the end of each month and the assessment added to the following month's bills. The TRWD rate will be assessed until such time that all pumping costs have been recovered or adequate reserves exist to cover cost. All bills are due when rendered, and become past due if not paid within ten days from date of bill. Service may be disconnected after proper notice to a customer having past due bills, and an additional charge will be made before service is restored. The municipal utility system may refuse to serve anyone who is in debt to the department.

## Appendix D—Rate Schedule

### Electric Rates

#### Residential Service Schedule RS-1

*Application.* Available to any customer for electric service used for residential purposes in an individual private dwelling or an individually metered apartment. Service will be supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for re-sale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 6.17	\$ 8.08	\$ 10.00
May—October per kWh	\$ 0.0481	\$ 0.0462	\$ 0.0443
Nov—Apr per kWh	\$ 0.0443	\$ 0.0443	\$ 0.0443
Minimum Bill	\$ 6.17	\$ 8.08	\$ 10.00

#### Residential Service Schedule RS-2

*Application.* Available to any customer for electric service used for residential purposes in an individual private dwelling or an individually metered apartment. Service will be supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for re-sale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 6.17	\$ 8.08	\$ 10.00
May—October per kWh	\$ 0.0481	\$ 0.0462	\$ 0.0443
Nov—Apr per kWh	\$ 0.0443	\$ 0.0443	\$ 0.0443
Minimum Bill	\$ 6.17	\$ 8.08	\$ 10.00

## Appendix D—Rate Schedule

### Electric Rates (continued)

#### General Service Schedule SGS

*Application.* Available to commercial customers with less than 20 kW demand for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 19.55	\$ 19.55	\$ 19.55
Energy Charge per kWh	\$ 0.0490	\$ 0.0490	\$ 0.0490
Minimum Bill	\$ 19.55	\$ 19.55	\$ 19.55

*Determination of Demand.* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

#### General Service Schedule LGS-1

*Application.* Available to commercial customers with 20 kW demand and less than 200 kW demand for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 28.17	\$ 35.33	\$ 42.50
Energy Charge per kWh	\$ 3.43	\$ 3.62	\$ 3.80
Minimum Bill	\$ 0.0322	\$ 0.0322	\$ 0.0256



## Appendix D—Rate Schedule

### Electric Rates (continued)

#### General Service Schedule LGS-1 (Continued)

Minimum bill: Customer charge plus the demand charge for 75% of the highest kW established during the last 12 months or the current demand charge, whichever is higher.

*Determination of Demand.* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

#### General Service (Large) Schedule LGS-2

*Application.* Available to commercial customers with 200 kVA demand and less than 1,000 kVA demand for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation or at the city's standard primary voltage. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective	Effective	Effective
	Nov. 1, 2010	Oct. 1, 2011	Oct. 1, 2012
Customer Charge	\$ 48.17	\$ 74.08	\$ 100.00
Demand Charge per kVa	\$ 2.96	\$ 3.38	\$ 3.79
Energy Charge per kVa	\$ 0.0297	\$ 0.0278	\$ 0.0260

Minimum bill: Customer charge plus the demand charge for 75% of the highest kVA established during the last 12 months or the current demand charge, whichever is higher. City will maintain all of its installed primary voltage distribution facilities regardless of the location of the metering point.

*Determination of Demand.* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

## Appendix D—Rate Schedule

### Electric Rates (continued)

#### General Service (Large) Schedule LGS-3

*Application.* Available to commercial customers with 1,000 kVA demand or more for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation or at the city's standard primary voltage. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 79.83	\$ 137.42	\$ 195.00
Demand Charge per kVa	\$ 6.62	\$ 5.13	\$ 3.65
Energy Charge per kVa	\$ 0.0194	\$ 0.0212	\$ 0.0230

Minimum bill: Customer charge plus the demand charge for 75% of the highest kVA established during the last 12 months or the current demand charge, whichever is higher. City will maintain all of its installed primary voltage distribution facilities regardless of the location of the metering point.

*Determination of Demand.* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

#### Security Lighting Service Schedule SLS-1

*Application.* Available to any customer in areas designated by the city on a city owned or joint-use utility pole.

*Type of Service.* The electric service will be supplied exclusively to one or more outdoor type 100-watt high pressure sodium lights or similar. Lights will operate automatically every night from dusk to dawn, or approximately 4,000 hours per year.

Monthly Rate	
Customer Charge	\$ 10.00
Estimated Energy Use	40 kWh

## Appendix D—Rate Schedule

### Electric Rates (continued)

#### Power Cost Adjustment Factor Schedule (PCAF)

Applicable to entire service area—all rates.

*Application.* The energy charges stated in all rate schedules applicable for the current billing month will be increased or decreased by the amount by which the average cost of purchased power plus production cost per kilowatt hour sold for the previous month exceeds \$0.0150.

$$\text{PCAF} = (((\text{PPC} + \text{PC} + \text{APM})/\text{KWHP}) - \$0.0150) \pm \text{ADF}$$

#### Definitions

PCAF = Power Cost Adjustment Factor

PPC = Purchased power cost for the most recent month for which final costs are available

APM = Adjustment for previous month over/under PCAF recovery

KWH = Total kilowatt hours purchased, previous month

ADF = Annualized deferral factor based on a 12-month rolling average of projected costs and sales variances keeping a rate stabilization fund minimum as set by the Utility Board and revised as needed.

### Wastewater Rates

	Effective Nov. 1, 2010	Effective Oct. 1, 2012
Minimum Monthly Bill		
Residential	\$ 14.50	\$ 15.00
Commercial	\$ 17.55	\$ 17.55
Volumetric Rates		
Residential	\$ 0.0420	\$ 0.0420
Commercial	\$ 0.0390	\$ 0.0390
Grinder Pump Fee		
Monthly Charge	\$ 10.00	\$ 10.00

## Personnel Schedule

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Department	Temporary/				Total
	Full Time	Part Time	Seasonal	On Hold	
<i>Electric</i>					
Administration (422)	4	4	-	-	8
Distribution (424)	24	-	-	-	24
Production (425)	-	-	-	-	-
Warehouse (426)	2	-	-	-	2
Non Departmental (902)	-	-	-	-	-
<i>Finance</i>					
Customer Service (205)	12	1	-	1	14
<i>Information Technology (427)</i>	-	-	-	-	-
<i>Water/Wastewater</i>					
Administration (402)	7	-	-	-	7
Water Treatment Plant (404)	6	-	-	-	6
Water/Wastewater Maintenance (405)	18	-	-	-	18
Water/Wastewater Rehabilitation (406)	5	-	-	-	5
Engineering (427)	3	-	-	-	3
Wastewater Treatment Plant (454)	5	-	-	-	5
Lake Maintenance (484)	-	-	-	-	-
Water Non Departmental (903)	-	-	-	-	-
Wastewater Non Departmental (904)	-	-	-	-	-
	86	5	-	1	92



# Appendix F—Ordinance

## RESOLUTION R2012-

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MUNICIPAL UTILITY SYSTEM OF THE CITY OF WEATHERFORD, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012 AND MAKING APPROPRIATIONS FOR THE SEVERAL DEPARTMENTS FOR SAID YEAR IN ACCORDANCE WITH THE CHARTER AND ORDINANCES OF THE CITY OF WEATHERFORD, TEXAS, AND THE LAWS OF THE STATE OF TEXAS; REPEALING ALL RESOLUTIONS IN CONFLICT; AND PROVIDING A SAVINGS

WHEREAS, the Board of Trustees finds that all provisions pertaining to the adoption of a budget contained in the City Charter and Ordinances of said City, and the laws of the State have been in all things complied with, and

WHEREAS, after full and final consideration, the Board of Trustees is of the opinion that the revised budget should be approved and adopted, and that appropriations for the several departments for said fiscal year should be amended as proposed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WEATHERFORD MUNICIPAL UTILITY SYSTEM OF THE CITY OF WEATHERFORD, TEXAS:

Section 1: That the budget estimate of the revenue of the Municipal Utility System of the City of Weatherford, Texas, and the expenses of conducting the affairs thereof for the fiscal year ending September 30, 2012 as submitted to the Board of Trustees by the Manager of said Municipal Utility System, be, and the same is, in all things adopted and approved as the budget estimate of all current expenses and fixed charges against said Municipal Utility System City for the fiscal year ending September 30, 2012.

Section 2: That there be, and hereby are appropriated the following sums of money for each of the designated departments, purposes, and uses for the current year ending September 30, 2012, being within and as provided in said budget, to-wit:

Utilities Fund		Adopted (\$)
Electric		
	Administration	334,924
	Distribution	6,842,285
	Production	11,850
	Warehouse	202,900
	Non Departmental	23,198,013
<b>Total</b>		<b>30,589,972</b>
Finance		
	Customer Service	1,156,800
<b>Total</b>		<b>1,156,800</b>

## Appendix F—Ordinance

### RESOLUTION R2012- (continued)

Information Technology		
	Information Technology Department	27,873
<b>Total</b>		<b>27,873</b>
<b>Utilities Fund</b>		<b>Adopted (\$)</b>
Water		
	Administration	295,592
	Maintenance	1,315,219
	Rehabilitation	408,496
	Engineering	252,080
	Treatment Plant	2,552,022
	Non Departmental	6,646,283
<b>Total</b>		<b>11,469,692</b>
Wastewater		
	Administration	295,592
	Maintenance	1,127,593
	Rehabilitation	424,446
	Engineering	252,080
	Treatment Plant	928,477
	Non Departmental	1,545,574
<b>Total</b>		<b>4,573,762</b>
<b>Total Utilities Fund</b>		<b>47,818,099</b>

for the reasonable and proper expenditures of so much of each of said sum as aforesaid itemized, not in excess of the amounts designated, as may be necessary for the operation of said Departments, purposes and uses, by the persons and in the manner provided and authorized by law.

# Appendix F—Ordinance

## RESOLUTION R2012- (continued)

The above and foregoing resolution was passed, approved and adopted by the Board of Trustees of the Weatherford Municipal Utility System of the City of Weatherford, Texas, by the following vote:

Ayes\_\_\_\_\_, Nays\_\_\_\_\_at a meeting of the Board held on the 27th day of September, 2012.

---

Dennis Hooks, Mayor and Chairperson

ATTEST:

---

Malinda Nowell, City Secretary

APPROVED AS TO FORM:

---

Ed Zellers, City Attorney

# Glossary of Terms

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### **100 Accounts**

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 1 (and thus, in the 100-199 range) are explicitly designated for personnel expenditures (such as salary and benefits).

### **200 Accounts**

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 2 (and thus, in the 200-299 range) are explicitly designated for supplies.

### **300 Accounts**

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 3 (and thus, in the 300-399 range) are explicitly designated for contractual expenditures.

### **400 Accounts**

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 4 (and thus, in the 400-499 range) are explicitly designated for capital expenditures (such as the purchase of vehicles, land, and other infrastructure).

### **60-Day Target Reserve**

The Utility's financial policies require the Utility Fund to maintain a financial reserve balance such that it could fund 60 days worth of operations without incoming revenue.

### **Administrative Services Charge**

The Utility Fund and the General Fund share certain administrative departments, such as Human Resources, the Budget Office, and Information Technology. Because these administrative departments are located entirely in the General Fund, the Utility Fund must pay for portions of the administrative department expenses via an interfund transfer.

### **Accrual Accounting**

A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.

### **Ad Valorem Tax**

A tax assessed against property (land, improvements, and personal property) for the purpose of financing general operations of the City and debt service requirements.

### **Advanced Refunding**

A transaction in which new debt is issued to provide monies to pay interest on old, outstanding debt as it becomes due, and then to pay the principal on the old debt either as it matures or at an earlier call date.

### **Allocation**

A part of a lump-sum appropriation, which is designed for expenditures by specific organization units and/or for special purposes, activities or objects.

## Appendix G—Glossary

**Appraised Value**

The market value of real and personal property located in the City as of January 1 each year, determined by the Parker County Appraisal District.

**Appropriation**

The maximum level of spending for each fund and for each department as authorized annually by the City Council.

**Appropriation Ordinance**

The official enactment by the legislative body by means of which appropriations are given legal effect. It is the method by which the expenditure side of the annual operating budget is enacted into law by the legislative body.

**Assessed Valuation**

A value that is established for real or personal property for use as a basis for levying property taxes. The Parker County Appraisal District establishes property values in Weatherford.

**Assessment Ratio**

The ratio at which tax rate is applied to tax base. State Law currently sets the assessment ration at 100%.

**Assets**

Resources owned or held by the City, which have monetary value.

**Available Working Capital**

Available working capital refers to money in the Utility Fund balance that is available for appropriation for one-time expenses. This is essentially the Fund's total balance, less designations and reserves.

**Balanced Budget**

A budget whereby ongoing expenses are wholly covered by ongoing revenue.

**Basis of Accounting**

The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes.

**Bond**

A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future, called the maturity date, together with periodic interest at a specified rate. The most common types of bonds are general obligation and revenue bonds. They are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

**Budget**

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

**Budget Calendar**

The schedule of key dates or milestones, which the City departments follow in the preparation, adoption and administration of the budget.

**Budget Document**

The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.



## Appendix G—Glossary

**Budget Control**

The control or management of a governmental or enterprise fund in accordance with an approved budget to keep expenditures within the limitations of available appropriations revenue.

**Capital Expense**

A type of expenditure within the budget, which results in the acquisition of an asset which has a value of at least \$5,000 and a useful life of more than one year.

**Cost Center**

In the City of Weatherford's accounting system, each division has its own three digit, numerical prefix to denote which division an account expense belongs to. This prefix is known as a cost center.

**Capital Budget**

A plan for the financing and completion of designated capital projects, financed for the most part with proceeds from general obligation bond issues. The "capital improvements program" is a multi-year plan, which includes the year covered by the "capital budget."

**Capital Projects Fund**

A fund created to account for financial resources to be used for the acquisitions or the construction of major capital facilities or equipment.

**Capital Outlay**

A type of expenditure within the budget, which results in the acquisition of an asset which has a value of at least \$5,000 and a useful life of more than one year.

**Certificate of Obligation**

A type of municipal debt that is unconditionally backed that can be issued without voter approval, usually by a vote of the City Council. This type of bond is often used for smaller projects.

**City Charter**

The document of a home rule City similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

**City Council**

The Mayor and four (4) Council Members collectively acting as the legislative and policymaking body of the City.

**Comprehensive Annual Financial Report**

(CAFR) This report is published to provide to the Council, the representatives of financial institutions, our citizens and other interested persons detailed information concerning the financial condition of the City government.

**Contractual Services**

The cost related to services performed for the City by individuals, businesses, or utilities.

**Current Refunding**

A refunding transaction in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded.

**Current Taxes**

Property taxes that are levied and due within one year.

## Appendix G—Glossary

### **Debt Service**

The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

### **Debt Service Fund**

A fund established to account for the accumulation of resources for the payment of principal and interest on long-term debt. May also be called Interest and Sinking Fund.

### **Delinquent Taxes**

Taxes that remain unpaid on and after the date which penalty for non-payment is attached.

### **Department**

A major administrative organizational unit of the City, which indicates overall management responsibility for one or more divisions.

### **Depreciation**

The portion of the cost of a fixed asset charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset. Through this process, the entire cost of an asset is ultimately charged off as an expense.

### **Division**

A major administrative organizational unit of the City, which indicates overall management responsibility for one or more activities. Some departments are divided up into different divisions.

### **Effectiveness**

The degree to which an entity, program, or procedure is successful at achieving its goals and objectives.

### **Effective Tax Rate**

State law in Texas prescribes a formula for calculating the effective tax rate for cities. The net effect of the formula is to produce a tax rate that decreases when property values rise because of inflation and vice versa. The intent is to generate a rate that produces approximately the same revenue as the year before. The formula does make adjustments for newly annexed property and newly constructed property for the effective tax rate calculation; however, for notice and hearing requirements, the benefit of new growth is excluded.

### **Efficiency**

The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.

### **Encumbrance**

Obligations in the form of purchase orders and contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved because the goods or services have not been received. When paid, the encumbrance is liquidated.

### **Enterprise Fund**

A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures.

## Appendix G—Glossary

**Environmental Protection Agency**

Usually shown as the acronym 'EPA', this represents a department of the national government that oversees environmental protection and quality law and enforcement.

**Estimated Revenue**

The amount of projected revenues to be collected during the fiscal year.

**Expenditure**

Decreases in net financial resources. Expenditures include current operating expenses require the present or future use of net current assets, debt service and capital outlay.

**Expense**

This term refers to the outflows or other using up of assets or incurrence of liabilities from rendering services or carrying out other activities that constitute the City's major operations.

**Fiduciary Fund**

A fund used to report and record assets held in trust or as in an agency capacity for others.

**Fiscal Management Policy Statements**

Financial policies are used to enable the City to achieve a sound financial position. They are in writing and are periodically updated and endorsed.

**Fiscal Year**

The 12-month period covered by the budget. For the City of Weatherford, the fiscal year begins on October 1 and ends September 30.

**Fixed Assets**

Assets of long-term character, which are intended to continue to be held or used, such as buildings, machinery and equipment.

**Franchise Fee**

A fee paid by public service utilities for use of public property in providing their services to the citizens of the community.

**Full-Time Equivalent**

In the personnel system, a full-time equivalent (FTE) refers to any position scheduled to work at least 2080 hours in a given fiscal year.

**Fund**

An accounting entity with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balances, revenues and expenditures.

**Fund Balance**

The assets of a fund, less liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted to result in an "unreserved fund balance."

**Fund Type**

In governmental accounting, all funds are classified into eight fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

## Appendix G—Glossary

### **GAAP**

Generally accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standard setting bodies.

### **General Fund**

The General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, park and recreation, library, public works, and general administration.

### **General Obligation Bonds**

Bonds that finance a variety of public projects, which pledge the full faith and credit of the City.

### **Governmental Accounting Standards Board**

The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

### **Governmental Fund**

A fund used to account for mainly tax-supported activities.

### **Impact Fees**

Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

### **Infrastructure**

The underlying permanent foundation or basic framework.

### **Interest & Sinking**

See Debt Service Fund.

### **Interest Earnings**

The earnings from available funds invested during the year in investments authorized by the City of Weatherford Investment Policy.

### **Interfund Transfer**

Amounts transferred from one fund to another.

### **Internal Service Fund**

A fund used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis.

### **Investments**

Securities, bonds and real property (land or buildings) held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in the normal course of governmental operations.

### **Lake Lot License Fees**

This revenue item refers to the leases paid to the Utility by property owners on Lake Weatherford.

### **Lake Lot License Reserve**

The Municipal Utility Board has decided to designate a portion of the lake lot license revenue for lake improvement projects.

## Appendix G—Glossary

This reserve was subsequently set up to account for unspent lake lot license revenue that is subject to that designation.

### **Levy**

To impose taxes, special assessments, or service charges for the support of the City services.

### **Liabilities**

Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

### **Long-Term Debt**

Debt with a maturity of more than one year after the date earmarked for its retirement.

### **Maintenance & Operations (M&O)**

Represents the portion of taxes assessed for the maintenance and operations of the General Fund Services.

### **Materials and Supplies**

Expendable materials and operating supplies necessary to conduct departmental activity.

### **Modified Accrual Accounting**

A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

### **Municipal Utility Board**

The Municipal Utility Board is a seven-member board tasked to govern the management, control, and operations of the electric, water, and wastewater systems of the City of Weatherford.

### **Net Bonded Debt**

Gross bonded debt, less any cash or other assets available and earmarked for its retirement.

### **Non-Departmental Expense**

Expenses that benefit the fund as a whole rather than a particular department within the fund.

### **Operating Budget**

A financial plan outlining estimated revenues and expenditures and other information for a specified period (usually a fiscal year). The "proposed budget" is the financial plan presented by the City Manager for consideration by the City Council, and the "adopted budget" is the financial plan ultimately approved and authorized by the City Council.

### **Operating Expenses**

Operating expenses refer to those ongoing expenses that the Utility Fund expects to expend every fiscal year. See Balanced Budget.

### **Operating Revenues**

Operating revenues refer to those ongoing revenues that the Utility Fund expects to receive every fiscal year. See Balanced Budget.

### **Ordinance**

A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a State statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality.



## Appendix G—Glossary

and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances. Ordinances and other legislation are not passed until the plans for and costs of endorsements are known.

### **Other Post-Employment Benefits Reserve**

For employees hired before October 1, 2008, the City has agreed to fund post-retirement healthcare expenses. This reserve was set up to help fund those expenses in future years. During the FY13 budget process, the Utility Board has decided to keep this reserve at \$300,000.

### **Overlapping Debt**

Proportionate share that property within a government must bear of the debts of other local governments located wholly or in part within the geographic boundaries of the reporting government.

### **Paying (Fiscal) Agent Fee**

Fee paid to the financial institution that receives and disburses bond payments made on the City's debt obligations.

### **Per Capita Costs**

The cost of services per person. Per capita costs are based on the population estimates provided by the North Texas Council of Governments.

### **Performance Measures**

Specific, quantitative measures of work performed within a City department.

### **Personnel Services**

The costs associated with compensating employees for their labor. This includes salaries and fringe benefits.

### **Proprietary Fund**

A fund to account for activities that focus on operating income and cash flows. Such activities are often business-like, whether internal or external operations, to the organization.

### **Purchase Cost of Power**

Although the Weatherford Electric Utility has the ability to generate electricity for distribution, it is often more cost-effective to purchase electricity (power) and subsequently pass it through to its rate payers. A portion of the electricity rates are designated to offset the cost of purchasing power.

### **Refunding**

The issuance of new debt whose proceeds are used to repay previously issued debt.

### **Reserve**

An account used to indicate that a portion of a fund balance is restricted for a specific purpose.

### **Revenues**

All amounts of money earned or received by the City from external sources.

### **Revenue Bonds**

Bonds usually sold for constructing a project that will produce revenue for the governmental entity. All or part of the produced revenue is used to pay the principal and interest of the bond.

## Appendix G—Glossary

### **SCADA**

Supervisory Control and Data Acquisition is an automated system that is the normal daily means of water system operation. This automated system records flow data and operates pumps and valves.

### **Self-Sustaining**

Because the electric, water, and wastewater systems are all located within the same fund, there have been years in which the revenue of one utility will pay for some of the expenses of another utility. In FY13, this cross-subsidization has been eliminated, and each utility can sustain its own expenses with its revenue.

### **Special Revenue Fund**

A governmental fund that is used to account for activities in which a specific revenue sources is legally restricted for a specific activity.

### **State Infrastructure Bank Loan**

The State Infrastructure Bank Loan (SIB) program refers to a state initiative whereby municipalities may enter into a loan with the state to fund infrastructure improvements. These loans are offered at below-market interest rates.

### **Tap Fees**

Fees charged to join or extend an existing utility system.

### **Tarrant Regional Water District Reserve**

The Tarrant Regional Water District is the regional water supplier for many municipal utilities in the State of Texas. This reserve was set up to offset annual costs above \$110,585 of pumping water into Lake Weatherford.

### **Tax Anticipation Notes**

Short-term, interest-bearing notes issued by a government in anticipation of tax revenues to be received at a later date.

### **Taxes**

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. The term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

### **Tax Levy**

The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

### **Tax Rate**

An amount applied to the taxable value of assessed property, expressed as so many cents per \$100 of assessed property.

### **Tax Roll**

The official list of taxable property for a given tax year and the amount of taxes levied against each taxpayer.

### **Texas Commission on Environmental Quality**

The Texas Commission on Environmental Quality (TCEQ) is the agency that governs environmental quality standards within the State of Texas.

### **Texas Municipal Retirement System (TMRS)**

An agent, multiple-employer public retirement system. Weatherford provides pension benefits for all permanent employees through a joint-contributory plan in the state-wide Texas Municipal Retirement System.

## Appendix G—Glossary

**Utility Franchise Tax**

A tax paid by the utilities for a special privilege granted by the Weatherford City Council, permitting the continued use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

**Warrants**

A legal writ authorizing an officer to make an arrest, seizure or search.

# Financial Management Policy Statements

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These policy statements were prepared to provide a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Weatherford.

**The benefits of a financial policy are:**

- Improve and streamline the decision-making process by allowing elected officials and staff to consider approaches to financial management from a long-term perspective.
- Enhanced credibility with the public, investors, and bond rating agencies.
- Provide a sense of continuity as changes occur in elected officials and staff.
- Provide a means for dealing with fiscal emergencies.

Financial policies should be reviewed periodically by the City Council and revised and updated as necessary.

**The following are the fiscal objectives of this policy:**

**Revenues:** Design, maintain, and administer revenues that will ensure reliable, equitable, and sufficient amounts to support desired services.

- A. Balance and Diversify Revenue Sources: Maintain a balanced and diversified revenue system to avoid fluctuations in any one source due to changes in economic conditions that adversely impact that source.
- B. Property Tax Revenues: Strive to reduce reliance on property tax revenues by implementation of user fees, economic development, and revenue diversification.
- C. User fees: Establish and collect fees to recover the costs for services that benefit specific users. When feasible, the City shall recover full direct and indirect costs. These fees should be reviewed on a regular basis to calculate full cost recovery levels, compare them with current structures, and recommend adjustments when necessary.
- D. Utility/Enterprise Fund Service Fees: Utility rates shall be set at sufficient levels to recover operating expenditures, meet debt obligations, provide funding for capital improvements, and provide an adequate level of working capital.
- E. Administrative Service Charges: An annual administrative service charges due to or from the General Fund from enterprise and special revenue funds for overhead and staff support shall be established.
- F. Revenue Estimates for Budgeting: A conservative, objective, and analytical approach shall be used when preparing revenue estimates. This should include an analysis of probable economic changes, historical collection rates, and trends in revenues. This should maintain a stable level of services, and reduce the probability of actual revenues being short of budget estimates.
- G. Revenue Collection: The revenue system should be as simple as possible in order to expedite payments. Since a revenue should exceed the cost of producing it, administrative costs should be controlled and reduced as much as possible. The City shall pursue to the full extent allowed by law all delinquent taxpayers and others overdue in their payments to the City.
- H. One-Time and/or Unpredictable Revenues: One-time and/or unpredictable revenues shall only be used for non-recurring capital equipment purchases or retained in fund balance or working capital balances. At no time may the funds be used for recurring costs (salaries, dues, etc...), except for cases of emergency as defined by City Council.

## Appendix H—Financial Policies

**Expenditures:** Prioritize services, establish appropriate levels of service, and administer the resources to ensure that fiscal stability is attained and that services are delivered in an effective, efficient manner.

- A. **Current Funding Basis:** Expenditures shall be budgeted and controlled to not exceed current revenues plus the planned use of fund balance accumulated through prior year saving. (Use of fund balance discussed in another section).
- B. **Operating Deficits:** Immediate corrective action should be taken if at any time during a fiscal year expenditures are projected to be greater than projected revenues at year-end. Corrective actions could include, but are not limited to expenditure reductions, fee increases, or use of fund balances. Short-term loans, use of one-time revenue sources, or expenditure deferral to the following fiscal year should be avoided.
- C. **Capital Asset Maintenance:** As resources are available each year, capital assets and infrastructure should be maintained at sufficient levels to minimize future replacement and repair costs, to continue prescribed service levels and to protect the City's investment in the assets. Capitalization of capital asset shall only occur with assets that have a useful life of at least two years following the date of acquisition, are applied to individual items purchased only and only grouped like assets if it is a material portion of total capital assets, and is not less than \$5,000 for any individual item. Assets shall be reasonably safeguarded, properly accounted for, and prudently insured.
- D. **Program Reviews:** Periodic staff and third-party reviews of programs should be made to ensure efficiency and effectiveness. Privatization and contracting with other governmental agencies should be considered as alternative approaches for service delivery. Programs that are determined to be inefficient or ineffective should be eliminated.
- E. **Purchasing:** Every effort should be made to maximize discounts offered by vendors. Competitive bidding should be used to receive the most advantageous prices on good and services. All State and local purchasing policies and laws shall be followed. See City of Weatherford Purchasing Procedures under a separate cover. The use of co-ops and/or interlocal agreements that have already been competitively bid may be used and are even preferred methods of procurement at times.

**Fund Balances/Working Capital:** Maintain fund balances/working capital in the various funds at sufficient levels to protect the creditworthiness of the City, mitigate current and future risks, and to ensure stable rates.

- A. **Governmental Fund's Fund Balance Categories:** City fund balances are divided and designated into various categories based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in a fund can be spent.
  - 1. **Non-Spendable Fund Balance** are amounts of the City's fund balance that are:
    - i. not in a spendable form including inventory and prepaid items,
    - ii. cannot be converted to cash within the current period including long-term portion of loans receivable and non-financial assets held for resale, or
    - iii. are required to be maintained intact pursuant to legal or contractual requirements including an endowment or permanent fund.

The City has various amounts of non-spendable monies in various funds but only has one permanent fund and it is the Permanent Library Fund.

- 2. **Restricted Fund Balance** are amounts of the City's fund balance that reflect resources that are subject to ex-



## Appendix H—Financial Policies

ternally enforceable legal restrictions including those imposed by:

- i. creditors (through debt covenants),
- ii. grantors,
- iii. contributors, and
- iv. other government's legislation or regulations.

City Special Revenue Funds that fall in this category shall maintain a positive restricted fund balance and those same funds that pay any personnel services shall maintain a target twenty percent (20%) of operating budget in restricted fund balance. This twenty percent (20%) fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise. Should the use reduce the balance below the appropriate level of unassigned funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year. Restricted special revenue funds of the City include State/Federal Forfeiture Funds, Hotel/Motel Tax Fund, Municipal Court Technology Fund, Municipal Court Building Security Fund, Juvenile Case Manager Fund, SFX Grant Fund, and Weatherford Aerospace Grant Fund. Other restricted funds include all capital bond issuance funds and the General Debt Service Fund.

3. Committed Fund Balance are the amounts of the City's fund balance that represent resources whose use is constrained by limitations of the City Council and that remain binding unless removed, modified, or rescinded by the City Council prior to the last day of the fiscal year for which the commitment is made.
  - i. Stabilization Arrangement for General Fund: It is the goal of the City to achieve and maintain a minimum of committed fund balance in the general fund of 90 days of the operating budget for that fiscal year. This amount is annually and formally, through this policy, set aside for use in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise or an unforeseen event occurs that costs the City more than five percent (5%) of budget appropriations. Should the use reduce the balance below the appropriate level of committed funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year.
  - ii. Other Post Employee Benefit Committed Fund Balance: This amount is annually and formally, through this policy, set aside by the amount appropriated through the budget ordinance, for each fund applicable for use to pay current and/or future other post employee benefits.
  - iii. Other Fund Committed Fund Balances: Funds created by the City for a specific service or purpose shall retain in each of those specific funds its remaining fund balance for use only in compliance with original purpose of the fund and/or revenue source. Any special revenue funds that pay any personnel services shall maintain a target twenty percent (20%) operating budget committed fund balance. This twenty percent (20%) fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise. Should the use reduce the balance below the appropriate level of committed funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year. Committed funds include Weatherford Beautification Fund, Chandor Gardens Fund, Library Fund, Animal Shelter Fund, General Capital Projects Fund, Park Development Fund, and Park Special Revenue Fund.
4. Assigned Fund Balance are those amounts of the City's fund balance that reflect the government's intended use of resources. This would include any future appropriation amounts of fund balance. The City Council has authorized the City Manager as the official authorized to assign fund balance to a specific purpose but retains the power of final appropriation of those funds.
5. Unassigned Fund Balance are those amounts of the City's fund balance that are excess of what can properly be classified in one of the previous four categories. These funds are available for any purpose. Unassigned fund balance shall be held to mitigate financial risk that can occur from unforeseen revenues fluctuations and unanticipated expenditures, and provide cash flow for the City's general operations. Annual amounts may

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vary pending tolerable risk associated with volatility of the economy or exposure to natural risks. Fund unassigned balance should be used only for emergencies, major capital purchases or non-recurring expenditures that cannot be provided by savings in the current year.

- B. Order of Expenditure of Fund Balance: When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving to the next category with available funds.
- C. If amounts in a non-spendable form would someday convert into a spendable form and those funds would then be restricted by one of the fund balance categories listed in this policy, those assets should always be classified into that category.
- D. Working Capital of Proprietary Funds: Positive working capital shall be maintained in enterprise operating funds in order to ensure that sufficient reserves are available for emergencies and revenue shortfalls. In the Municipal Utility Fund an operating reserve will be established and maintained at 60 days of the fiscal year's budget established for operations and maintenance (total budget less debt service and capital project expenditures). Consideration shall be made in the future to increase the number of days in the Utility Fund once rate structure is fully implemented. In the Solid Waste Enterprise Fund an operating reserve will be established and maintained at 90 days for the fiscal year's budget established for maintenance and operations. This reserve should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise or an unforeseen event occurs that costs the City more than five percent (5%) of budget appropriations. Should the reserve fall below the acceptable level, recommendations will be made on how to restore the reserve to its appropriate level in a timely manner. The reserve must be restored to its appropriate level within one fiscal year.

**Capital Expenditures and Improvements:** Review and monitor the condition of capital equipment and infrastructure, establish priorities for replacement and repair based on needs and availability of resources.

- A. Capital Improvement Planning Program: An annual review of the need for capital improvements and equipment should be conducted to evaluate the current status of the infrastructure, replacement and repair and any potential new projects. All projects, both ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. All operations, maintenance, and replacement costs should be listed for every capital project.
- B. Scheduled Replacement of Capital Assets: An annual schedule should be prepared for the replacement of non-infrastructure capital assets. As resources are available, these assets shall be replaced according to the schedule.
- C. Capital Expenditure Financing: There are three methods of financing capital requirements:
  - 1. Budget funds from current revenues.
  - 2. Use funds from fund balance/working capital as allowed.
  - 3. Borrow money through debt.Debt financing includes general obligations bonds, revenue bonds, certificates of obligation, tax notes, and lease/purchase agreements. Guidelines for assuming debt are established in the Debt Policy Statements.
- D. Capital Projects Reserve Fund: A fund can be established and maintained to accumulate proceeds from the sale of real property, and transfers from the General Fund unassigned fund balance. This fund should be used to pay for capital improvements and equipment with an expected life of greater than 10 years.

**Debt:** Establish guidelines for debt financing that will provide capital equipment and infrastructure improvements while minimizing the impact of principal and interest payments on current revenues.

- A. Use of Debt Financing: Debt financing, including general obligation bonds, revenue bonds, certificates of obligation, tax notes, and lease/purchase agreements shall be used only when capital assets cannot be financed from current revenues or when the useful life of the asset or project exceeds the payout schedule of any debt.

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- B. **Assumption of Additional Debt:** Additional tax supported debt should not be assumed without conducting an analysis to determine the community's ability to support additional debt service payments.
- C. **Affordability Targets:** An objective analytical approach should be used to determine whether or not new general-purpose debt can be assumed beyond what is retired each year. Generally accepted standards of affordability should be used in the analysis. These include debt per capita, debt as a percent of taxable value or revenue source, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions. The direct costs and benefits of the proposed expenditures should be examined. The decision to assume new debt should be based on the costs and benefits plus the ability to assume the new debt without detriment to the City or its citizens.
- D. **Debt Structure:** Debt payments should be structured to ensure level repayment. Level payment schedules improve budget planning and financial management.
- E. **Bond Coverage Ratios and Reserves:** Bond covenant requirements shall be followed completely.
- F. **Competitive v. Negotiated:** The City will analyze on a per issue and market basis the desire to utilize competitive versus negotiated sale of bonds.

**Budget:** An annual strategic planning session at the start of the budget process in the early spring should occur. The City Manager shall prepare and submit to the governing body, prior to the beginning of each fiscal year, a budget of estimated income and proposed expenditures for the ensuing year, showing in as much detail as practicable the estimated amount required for the efficient operation of each department of the city government under his/her supervision and the reason for such estimated expenditures and be responsible for its administration after adoption. The submitted budget shall be a balanced budget with operating current revenues, exclusive of beginning resources, greater than or equal to operating expense / expenditures with consideration of previously stated use of one-time / unpredictable revenues, use of available fund balances, and the inclusion of sufficient fund balances as stated.

**Investments:** Invest the City's operating cash to ensure its safety, provide for necessary liquidity, insure public trust, and optimize yield.

Funds of the City should be invested in accordance with the City of Weatherford Investment Policy, which is under a separate cover, so as to ensure the absolute safety of principal and interest, to meet the liquidity needs of the City, insure public trust, and to optimize yield. Interest earned from investments shall be distributed to the operating and other City funds from which the money was provided.

**Fiscal Monitoring:** Prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.

- A. **Financial Status and Performance Reports:** Monthly reports showing the cumulative income and expenditures of each department for the preceding months, and a comparison of such monthly expenditures by department with the monthly allowances made for such departments in the annual budget and outlining any remedial actions necessary to maintain the City's financial position shall be prepared for review by the City Manager and the City Council.

**Financial Consultants:** With available resources, employ the assistance of qualified financial advisors and consultants, as needed, in the management and administration of the City's financial functions.

These areas include but are not limited to investments, debt administration, financial accounting systems, program evaluations and financial impact modeling. Advisors should be selected on a competitive basis using objective questionnaires and requests for proposals based on the scope of the work to be performed.

**Accounting, Auditing and Financial Reporting:** Comply with prevailing federal, state and local regulations. Conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

- A. External auditor rotation is not required but the City should circulate requests for proposals for audit services at

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least every five years.

- B. Internal auditing should be performed as necessary, as risks warrant, and expanded as resources permit.

**Internal Controls:** Provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition. At all times the City shall maintain an environment conducive to good internal controls. Each Department Manager is responsible to ensure that good internal controls are followed throughout his/her department, that any and all guidelines on accounting and internal controls are implemented, and that all auditor recommendations are addressed.